

Summit County Service Area #3
June 17, 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, *Chair*; Bob Olson, *Treasurer*; Larry Finch, *Clerk*.

Electronically: Suzanne Carpenter, *Vice-Chair*.

Absent: Mike Montgomery; Carol Spiegel; Eileen Galoostian.

In-Attendance Staff/Contractors: Marla Howard (GM); Eileen Haynes (Assistant Clerk); Nathan Bracken, Counsel and Emilee Gorham, Law Clerk (Legal); Chris Bullock (Roads Master and Water Operator); Jon Haderlie (Larson & Co.); Dave Thomas, Mountain Life Church (MLC) Construction Manager arrived late.

In-Attendance Public: Linda Kelsch (SL-A-30); Brad Iverson (SL-C-139); John Tinklepaugh (SL-B-108).

1. Welcome and call meeting to order at 5:37pm:

- a. Swearing in of Carol Spiegel: Deferred until next board meeting.
- b. Review of April 22 and May 20 meeting minutes: Bob, Marla, Eileen, and Nathan made amendments prior to the meeting for April 22, 2019. May 20th deferred until the next meeting.
- b. Approval of minutes: Bob motioned to approve the April 22nd meeting minutes which Larry seconded. Approval was unanimous. Vince stated he will not be present at the July 15th meeting.

2. Administrative & Financial:

- a. Audit report from Larson and Company: Jon Haderlie stated, this is a standard independent audit report which outlines the responsibilities of all parties. The Service Area is responsible to ensure the financial statements are prepared according to accounting principles and affirm their accuracy. Larson and Company is responsible to test the validity of the data provided by the Service Area and to ensure the balances are correct. His firm seeks errors due to fraud or other methods. We look at your financial records, analyze them and report our opinion. It is his opinion that your reports are materially correct as of December 31, 2018. He acknowledged the presence of internal controls which they do not evaluate but use in their testing. Auditors have enhanced their analysis to include a review of internal controls which allow staff to identify mistakes and make corrections in a timely manner. You should be able to produce accurate reports at any one time.

Jon stated, their professional opinion is that the Summit County Service Area #3 has satisfied the compliance requirements. Jon directed the Board to the Larson & Co. letter to the Board which states, the Board is responsible to know the accounting principles. If they need assistance in understanding, they may ask questions. Our job is to ensure the estimates are reasonable and do not change from year-to-year. Your approach to financial reporting is acceptable according to accounting principles and produces reasonable and consistent reports. We also seek statements from staff concluding that they are being forthcoming. If you consult other attorneys, accountants, or auditors, we ask that we have access to any data provided to other professionals so that we can ensure any problems are rectified. If you consult with us during the year, it does not mean we expect you to hire us as your auditor.

Our findings reveal there are *no reportable* findings. Last year's findings indicated problems with fund balance and meeting minutes which have been corrected. Marla is in the process of setting up a Capital Projects Fund to receive transferred funds from your General Fund which is the appropriate location to accumulate funds. Restricting funds require a third-party restriction on how you spend that money. It is not just a Board decision. The Board cannot "restrict" funds, only "commit or assign" funds. Your Class B Road Funds are restricted because the State awards it with spending instructions. Larry asked, do we need any modernization or increased efficiencies in our process? Jon replied, no. Since Marla has been involved you are in a significantly improved condition which continues to improve every year.

Jon directed the Board to the financial highlights on page five, pointing out the net position between the two funds (water and government-wide version of the general fund) decreased by \$200k. Marla stated, in the water fund we spent \$100k on water meters. We spent \$163k on Silver Creek Road. Jon stated, your expenses went up about \$30k and there was less revenue in your Water Fund this year. Your fund balance levels are where they need to be. He is not advising you *not* to save money for future projects. The fund balance should not be an issue just because they changed legislation this year. Consider the timing of tax fund receipts: you have money saved, then you add an influx of tax money causing your fund balance to increase but we do not have enough time to spend it. They have changed the law permitting you to retain your property tax plus your next year's estimated budget in your fund balance. This has been a common problem for small districts. You cannot hold money for future use without having a Capital Projects Fund.

Jon reported, there are no glaring issues with internal controls. The procedures are in place and the communication is where it needs to be. Vince and Larry thanked Marla for her work on the audit. **Marla stated, Bob will certify it and it will be filed tomorrow.**

Suzanne directed attention to page 8, noting our charges for services have increased while our property taxes are decreasing which is surprising given the increase in new construction and remodels. We are going in the wrong direction. **She requested that Marla look at that from a revenue perspective.** Marla replied, in 2017 we collected \$312k in property taxes. We collected \$14k in delinquent taxes and \$18k fee-in-lieu of property taxes.

Nathan asked if Jon Haderlie agreed with waiting until the end of the year to propose a tax increase. Jon replied, no. You will have to go through truth-in-taxation. As property value goes up, your rate will be adjusted to keep your property taxes about the same. You need to work with the county auditor to add on to your rate based upon the state certified tax rate for a certain purpose. You then go through a public hearing and truth-in-taxation to receive approval. Marla stated, we would have to start the process in September.

Vince asked, is there carryover from previous years? Marla replied, yes. Jon stated, late payments are applied to the year received. Larry noted, the maximum tax rate we are permitted is .0014. We are charging .001033. We are capped and even if our property taxes increase, our millage rate goes down. Nathan confirmed, this is true. Larry continued, that is why our revenue has been decreasing every year because the value of the overall area is going up and that reduces our auditors tax rate. This is part of the reason, he has been broaching a tax increase on that rate so we can return to an adequate revenue level. He wants to recoup this money through a property tax increase. Nathan replied, there is a specific process required for a property tax increase. You should wait to the end of the year to see the income from this year's collections. Larry stated, the last time the tax rate was changed was 10-12 years ago. Nathan replied, it will be hard to make this decision now.

Jon noted, you will have to consult with the County Auditor to request an addition to your rate, based upon the State Certified Tax Rate. You will still need a public hearing. Marla asked, if we want to increase our taxes, do we have to start in October? Suzanne and Larry agreed. Suzanne noted, we are in a situation where we are capped and want to make an investment at the same time. This requires careful planning. It is beneficial that we have two years of approved financial reports. We should engage our community about having the necessary cash flow to do what we need to do. These reports indicate we have been using Capital to make investments. Larry agreed with Suzanne. He noted, the property value taxed on behalf of the service district is \$308million. If we go with the maximum value, we take in \$430k. This would give us \$115k in additional funds. Vince noted, this would be a big jump percentage-wise. **Vince, Larry, and Suzanne agree that Marla should get started reviewing a tax increase proposition, get it on the July agenda and begin a community-wide conversation.**

Jon complimented the Board on addressing the hard issues without raising the money through increased water rates as other jurisdictions do. Suzanne noted, we must keep roads and water separate. Nathan agreed advising, to sustain reduced legal liability, they must be separate as you are currently doing.

- b. 2019 Tax Rate review: At 6:09pm, Marla stated this is the rate for this year and directed the Board to page 31/32 noting the forms that must be signed tonight.
- c. Staff reports:

- Mountain Life Church (MLC) work on Silver Creek Road: Chris discussed the status of MLC roadwork reporting on his meeting with MLC Construction Manager, Dave Morse, and Pastor Steve White. He informed the Board, they do not wish to implement the correction recommended by their engineers: removing material of 12-foot depth then compaction and testing because they are confident it was done last year. He advised MLC to get a statement of agreement from an engineer approving a less hardy approach which the Board will consider. He suggested, another corrective option is an even larger excavation, installing geo-technical fabric and correct fill to build up the road. He noted, MLC and the Service Area are not in agreement on what was agreed upon in previous meetings. He has not received a new and different engineering recommendation promised last Friday from Alliance or from Dave. Chris advised the Board to insist on the appropriate engineering as proposed by the Churches own engineers. Nathan agreed noting, this their contractor's fault. They need to hold their contractors accountable. Chris reported, the contractor did not perform the compaction testing every foot as they were supposed to do.

Vince stated, it is mid-June and he wants to avoid further delays and excuses. We should send out a notice tomorrow stating, in the next 48 hours, pending new recommendations from engineering, they are expected to start the road repair. We need to avoid a mad scramble and shoddy work in August. Suzanne agreed. Nathan asked about the impact of surface water. Chris replied, they had to *de-water* in August and September last year which was a dry year. Larry replied, we do not have the underground water that we normally do due to the pumping during the recent sewer installation. Chris replied, the laterals are at 12-feet and not at sewer level.

Nathan noted, the warranty period has not started because you have not accepted the work yet. This is not a negotiation because the project has never been completed. This is not a warranty issue, this is an acceptance issue. They need to build this properly. Are we considering doing something other than what their engineers state should be done? Vince replied, no. He recommended, notify MLC that the Board accepts and approves MLC testing approach and we expect MLC to begin work within 48 hours.

Dave Morse arrived at the meeting at this time. He stated he does not have an update on the engineering, but repairs will begin within the next two weeks. He is inquiring about core testing. He is not having a new engineering firm look at the work. He told Chris, the two worst spots will be opened, refilled, and compaction tests performed. Vince inquired, does this proposal accord with your engineer's plan or your contractor's plan? Dave replied, the engineer's plans. Vince asked, are you accepting your Engineer's plans? Dave replied, yes. We are pursuing the four-foot option. We are going to do these two tests. It will be easy to reroute the traffic around two areas. If the four-foot reparation fails, we will do more. Vince asked, you are proposing to start within two weeks? Dave replied, yes, we are taking the two samples first which will tell us if the four-foot option will be a long-term solution. Chris instructed us to begin in July due to high water and he advised us all of Silver Creek Road must be done by August 7th.

Vince expressed concern that the Board and MLC do not have a mutual understanding of the work involved. Dave replied, we must perform the core testing and find out exactly what is going on. The original contractor does not understand why the laterals settled. The only thing different was the type of unit that was used for the compaction. Chris replied, he believes the problems were caused by the native material he observed used in the fill contrary to their contractor's claims, and we will not know unless he reviews the compaction testing proctors. Is this what you propose? Dave replied, yes.

Chris stated, he misunderstood Option two. Dave replied, he spoke to other engineering firms who expressed concern there is a lot of water along the entire road. They advised us to avoid going deep and have to contend with saturated soil; it is going to create more problems. It is better to spend more money and use engineered geo-grid. Chris asked, was flowable fill discussed? Dave replied, that was not discussed. Is it something you recommend? Chris replied, you should consult your engineers. Other companies have used it and it is a requirement of UDOT in their ROW. We need to have a plan in place so that by the July 1st we are doing those first two laterals by the mailbox allowing easy traffic diversion. If that works, then proceed to the other laterals as quickly as possible so can we meet the August 7th deadline. Dave replied okay but he sought clarity and confirmation, we want to do a couple ahead of time, fill them completely to the top to match the level of the asphalt with road base, because we are going to want to patch them all at the same time so they will be better than they are now. He stated, it will be road base over there when we do those tests. Larry asked, can't you put a couple of inches of asphalt on top of the road base? We get a lot of traffic in that area. **Dave replied, he will look at that.** Larry stated, when you guys were in here last fall, there were specific plans for

traffic control, to remove and dispose of native material, to keep the road open at night, the trenches were supposed to have been plated every night. None of that happened and he seeks to avoid a repeat of that bad experience. He wants to avoid dragging this out. This is a public road supported by taxpayer money. Please do this right. We lost the use of our backyard last summer. Do it to the engineer's specs and do it on time. Do it right so it does not fail in four-five years and you expect your neighbors to pay to fix it for you. Dave replied, he understands.

Vince stated, in the next 48-hours, by the end of the day Wednesday, MLC should provide a plan, with milestones, engineering, deliverables, traffic mitigation and a schedule in considerable detail of what, when and how you are going to meet the deadline. Dave replied, okay. Vince stated, this is an expectation and a demand. Dave replied, you are changing the parameters so give this expectation to Steve White in writing. Bob agreed, our communication to Steve should also state, we want the schedule/plan by 5pm on Wednesday for which there was board and staff consensus. Marla will do so in an email. Larry requested it also be sent via USPS. Dave replied, I apologize. Things did not go right, there are a lot of problems with that road such as water and everything else. We are not going anywhere. Bob and the Board thanked Dave for coming.

- Road Bond: In response to Larry's request "how much money can we raise if we bond using Class B road funds as the income stream", Marla reported the following restrictions apply: the term length must be 10 years, the payment cannot exceed 80% of the annual Class B Road Fund payments and a public hearing must be held. A public vote is not required since we would not be raising taxes. If we borrowed 80% of the cash stream, estimated at \$100-110k per year, we could borrow approximately \$750k. If we use 50% of our Class B Road Funds, we can borrow about \$425k. Zion's Bank will provide additional analytics.

Marla and Chris recommend the following projects funded by bonding: an updated LTAP Study and cul-de-sacs on Westwood Road and North Cottonwood Trail (Aspen Ln does not have a platted cul-de-sac). Vince requested the estimated costs associated with these projects. Chris replied, we need to refresh the LTAP to have current market prices. Chris will contact Utah State University.

Larry pointed out, it appears we cannot do any of these projects until 2021. We need to pull the trigger December 2019 or January 2020 then we are going to lose the seat next season. Vince replied, this requires a work session. Suzanne noted, if it is 2021 when we get these funds, we need to think about what the cost of the rehabilitation will be given we will not be making investments in the roads for two years. Vince replied, that is a good point; we need to see the cost and the condition. Can some of the rehabilitation be delayed for two years? He does not want to throw money at something we are just going to redo to save a year or two. We are already used to driving on crappy roads. Larry replied, it is speed control.

Chris stated, Pace Road was re-pulverized today and regraded. It turned out very nice. Larry reported, Highfield Road looks really nice since it is been regraded. Chris advised, consider this type of interim measure: would we be satisfied? Vince requested staff included those type of cost-benefit examples with expected life. On some roads, it makes sense to repair them annually. What does that cost versus spending exorbitant amounts to rebuild?

- Redden Road Speed Bump Damage: SCSA3 Complaint Police Case #: 19-L11501. Marla reported, the resident met with the Sheriff's office. He admitted he removed the speed bump stating, he was authorized to do so because the Board had agreed not to install them in response to a community petition in 2015. Marla stated, her research revealed Board minutes from 2015 where the Board agreed to a faster speed bump in that location. She could not find any agreement to **not** install a speed bump. Bob agreed. Marla provided pictures of the illegal removal and a copy of the 2015 board minutes. The resident came into the office to discuss the problem and suggested an alternative. Chris confirmed a speed bump is effective in that area and the resident can avoid the current speed bump by driving on Meadowview Dr instead of turning left to reach Silver Creek Rd. Emergency services requested we not put in two speed bumps. Marla reported, the complaint has been sent to the County Civil Attorney. Chris stated, the damage is \$4-5k. Nathan asked, has he offered to replace the bump? Your cost to recover exceeds your cost to replace. Suzanne asked, is it possible to put in a permanent speed bump? Is there a design that creates a traffic calming measure without the jeopardy? Vince replied, they cannot be charged for more than the damage they caused.

Suzanne stated, she is aware of the concerns in that area. Chris recommended an alternative to serve as a crosswalk. Suzanne liked that idea. Chris replied, a speed hump is more aggressive than a raised crosswalk.

Vince directed Marla report to the County we will not pursue criminal actions if the resident reimburses the Service Area for time and materials but if he damages the speed hump again the Board will seek punitive charges. He requested that Chris report on optional locations and types of bumps including raised crosswalks and their standards. Larry wants a dip. Larry pointed out, we will have to create new signage.

- d. SCSA#3 financial and dashboard review: Marla reported, our overages are in snow removal. Connections fees are down for 2019. Our new building applications are down. Engineering fees for water have increased due to the hydrant and fire flow. In September, we will present the Board with a recommendation on a budget. Included here, is the dashboard as requested, which reports amounts, cash summary, connection service summary, associated water rights, construction and remodel summary, and accounts receivable summary. Vince requested Marla share the dashboard on google drive.
- e. Invoice review: No discussion regarding invoices.
- f. Service Area Personnel Policy Revisions – Acceptable Use Policy per HB 163: Nathan presented a policy memo, including a resolution and a revised personnel policy, in response to a new, overly broad State of Utah statute which makes *personal*, employee, contractor or board use of government property a felony unless you have an “acceptable use” policy. The proposed memo states, use should not damage government property nor interfere with the performance of government duties, and limits use up to \$2,500 maximum cost to the Service Area after which felony charges may be pursued. Nathan’s memo also includes an appeal process.
- g. Open house recap: Bob requested presenters at future open house be given a time limit and a signal.
- h. Mike Montgomery’s resignation: Vince reported, Mike Montgomery has expressed an interest in resigning due to his work schedule. Marla stated, Mike’s position expires at the end of 2019 noting the replacement process could take up to three months giving the replacement a three-month term. Nathan reminded the Board, the County could appoint someone to finish the term if the Board fails to make an appointment within 90 days. He suggested, change the day of the meeting. Vince replied, that would not work. Marla stated, one candidate has filed for the lower section. Larry noted, Mike’s position is in the upper section. Nathan recommended, retain Mike on the Board until his term expires. He asked, do you have too many board members? Should we reassess your boundaries? If you are modifying the boundaries in any way, we need to bring it to the public. The more seats you have, the more seats you must fill. The law requires you to reassess voting district boundaries every five-ten years. Bob and Larry agreed, the boundaries have not been reviewed in 20 years. Nathan advised, evaluate whether your current voting districts make sense. The Board can amend the number of seats with a two-third’s vote of approval. You could reduce the number of board positions from seven to five as an odd number is required. Because you vote by district, you will also have to change your voting boundaries which require a public hearing presenting a map with the proposed new boundaries. Either way, you should do a public hearing. He cannot think of another similarly sized local district with seven board members. If it is uncontested, you can cancel the election. Suzanne stated, we should begin canvassing for two upper section candidates because of Mike’s resignation and Bob’s retirement. Vince requested, this discussion be continued at the July board meeting. Suzanne stated, staff should collect important data such as the number of homes and tax revenue in each area. Marla replied, she has that data and will perform an analysis.

3. Water:

- a. Fire flow RFP proposal responses and discussion: Marla presented the summary of responses from contractors Wolff and Vancom in a spreadsheet. There is a significant difference between them and both bids came in significantly higher than anticipated by our engineer. Larry asked, did they go out as an RFP or bid? Marla replied, they went out as RFP for Bid. Nathan affirmed, we must go with the lowest qualified bidder, but you are not obligated to award it if you determine you cannot afford it. Marla stated, we can either award it, tell the lowest bidder the bid exceeds our budget and request re-bids on certain sections or reject all the bids and re-issue an amended RFP. We could eliminate Greenfield Drive. Vince stated, he prefers the contractors re-bid certain areas considering we expect the lowest in each category. Nathan stated, these wide-ranging discrepancies of \$75k vs \$20k, \$166k vs \$100k and \$78k vs \$100k is alarming. Larry noted, on the water it is only \$40k after the engineering. If we delay these another two weeks, how does that affect the rest of our projects? Vince stated, have them get back to us by the end of the week. Chris replied, the plans are not going to change. We are going to do Whileaway Road and Wasatch Way. He advised, have the bidders refigure their estimates excluding Greenfield Drive. Suzanne asked, is new residential water-service included in this quote? Marla replied, it is not *new* residential. Chris added, everyone must reconnect to the new water line. The new connection refers to the Ho’s

which can be removed from the bids. Suzanne asked, are going to vote on this in the July meeting? Bob replied, you can have an emergency meeting. Vince agreed.

Larry stated, in the Enterprise Fund, in Capital Reserve, we only have \$547k. Bob stated, that is a big problem. Vince agreed stating, we must do this. Suzanne replied, I understand, let us do it and make sure we are ready to go by July. Because we only have \$547k, are we taking one of the projects off? Vince replied, we are not deciding until we get revised bids. Larry replied, Chris is recommending we remove Greenfield. Marla asked, do we have to do an RFP all over again? Nathan replied, you can meet with them individually and ask clarifying questions about these bids, such as: why are these so different and how did you produce this number? Vince replied, we want to understand why there is a discrepancy. Nathan stated, these wildly disparate bids may reflect on their qualification. The bids are significantly higher than expected. Who is off? Marla stated, we may be paying a premium due how busy everyone is such as with the airport project. Larry asked, why aren't we getting more bidders? Nathan replied, this is not a big project. Chris replied, we had four contractors come to the pre-bid meeting but only two submitted bids. Nathan replied, according to "statute UC-63-G-6A-605, the chief procurement officer", which is Marla, "may request a vendor to clarify information contained in a bid." Nathan stated, we can modify our job description. There is an exemption: if the lowest bid exceeds the available funds by 5%, the law allows us to negotiate. Larry replied, we budgeted \$450k for this project. Nathan replied, the easiest thing to do would be to rebid or cancel part of it. Vince directed Marla to reach out to Ben by Friday.

b. Water Rights valuation: deferred until the next meeting.

c. E140 Update: Nathan reported, the Service Area reservoir is based upon the E140 exchange application. Five water shares, represented by two certificates, were held by Mr. Lewis and he got the exchange application on that basis. Marla reported, her research with Davis and Weber shows those water shares for the reservoir were sold. Nathan stated, although you do not own the underlying shares, you do own the property upon which the reservoir sits. This is a legacy issue and is treated as such by the State Engineers. You have inherited this dam and you should maintain it. It is not a problem because it does not appear that anyone is using that water; it is just flowing through and not diverted or irrigated. Someone could claim the water is lost to evaporation, but it is not likely; plus, the reservoir is slowly diminishing due to silting. You currently have shares with Davis and Weber which could be reallocated to the reservoir, but you are using 100% of those shares. You could acquire five more shares and update the title, but he does not recommend this because you need them in your municipal system. Vince agreed and deferred further discussion.

4. Road and Trails:

a. Iverson appeal: Marla reported, six months ago a property owner (SS-16-A), at the end of Westwood Rd, requested we find a solution so snowplows, garbage trucks and other construction vehicles do not turn-around on their lot which is private property. The homeowner was willing for the Service Area to improve her driveway allowing these vehicles to turnaround, but Staff has determined we cannot use public funds to improve private property. We concluded we should install the cul-de-sac as platted. In preparation, we recently sent a letter to Mr. Iversen (SL-C-139), requesting the removal of his landscape encroachment in the ROW. Research, from earlier board meetings, is included in the packet. At one point, the board was willing to work with a smaller cul-de-sac. However, the fire district has informed us they will not consider a cul-de-sac smaller than currently platted of 96-feet. Mr. Iversen has requested some time to discuss possible options with his neighbors about moving the platted cul-de-sac.

Mr. Iversen attended the meeting and stated, he has spoken to his neighbors who believe there are viable alternatives that will meet all the fire department requirements and still preserve his landscaping. He stated, he hopes the Board shares his goal to save his landscaping. We can argue about who pays for this, but it is best to avoid that issue. The current landscaping complies with the 20-foot setback from the road which remains as it was when Silver Creek was first developed. He claimed, the Service Area and owners had agreed on the location and the 60-foot radius for years. He claimed he forwarded documentation dating back to 2015 where everyone had agreed. He stated, everyone had been waiting multiple years to get this done. It is unreasonable to give him a very short timeline. It does require some discussion and making sure that all the neighbors agree with an alternate plan. As recently as May 7, 2019, the Board determined 60-feet was the dimension. We were all in agreement. You have pulled the rug out and said requirements have changed. We need some time to look at the alternatives. He is sympathetic to the turnaround problem experienced by his neighbor, but she also does not want to see his trees go away and she has other issues with the Service Area proposal. He reported conversations with his neighboring property owners who agree with him that alternatives should be investigated that do not impact his landscaping or

their own and do meet fire department requirements. He reported, they have staked out alternatives. He stated, *the Service Area is responsible for the financial cost for relocation* but seeks a solution that does not cost the Service Area or the affected property owners a lot of money.

Marla stated, Mike Owens of the Park City Fire District suggested an acceptable alternative may be a “hammerhead” turnaround which also requires a length of 96-feet. The plat cannot be changed without approval from the fire department. In the meantime, we could perform simple grading of a 60-foot cul-de-sac and hope we never have a fire that brings more than two fire trucks. Chris replied, he is open to any other options, but we need to meet the requirements of emergency services, garbage trucks, and other delivery trucks, such as UPS. Many trucks get stuck there in both winter and summer. He does not want to improve private property with public funds.

Bob stated, he was part of all these discussions with Mr. Iversen and his neighbor. We were doing the best we could with the knowledge we had. We were not aware of the 96-foot requirement and it does not appear there is any way around it without some cooperation which will require legal easements. We need to comply with the requirements of the fire department. We need to move forward as rapidly as we can so we can act before the mud season. We need some time to explore alternatives to the platted dimensions.

Nathan stated, from a legal standpoint, if Mr. Iversen and his neighbors can produce an alternative, it will require a plat amendment that only they can pursue. The Service Area cannot amend the plat, nor can we request a plat amendment. The property owners will have to file a petition and it will require two public hearings. The process will take a fair amount of time. It is important that the affected property owners are aware the Service Area cannot amend the plat. It is not within our purview and this is not a Service Area responsibility. The affected property owners can hire their own attorneys to put together the easements and take the heavy lifting. He does not see how this is a Service Area responsibility. As he understands it, the Service Area was trying to work with the property owners. We thought 60-feet would work but the fire department informed us that 96-feet is the requirement. He does not see how this is the financial responsibility of the Service Area. We can offer you time to work this out and we are happy to work with you. It is the responsibility of the homeowners to get it amended and get it amended in a way that complies with the law. We will work with you, but he does not agree that the Service Area is responsible for landscape removal and other legal fees.

Vince noted, the Tollgate fire got everyone’s attention and safety is his priority. If the fire department stipulates a 96-foot turnaround, especially for that area, then we should do that. The needs of garbage pick-up and snow removal just compounds the issue. The Park City Fire District trucks are big, and he can see why they adopted the International Fire standards.

Mr. Iversen stated, the hammerhead option is fully in compliance with the Fire Codes. It is a much better solution in terms of mitigating impacts on landscaping and so forth for himself and his neighbor. Our road has always been in the current location. He has never seen language depicting more than 25-feet from the centerline of the roadway and the landscaping is more than 25-feet from the centerline. None of the Silver Creek cul-de-sacs he has measured meet the 96-foot requirement. If it is going to be addressed on Westwood Road, it needs to be addressed everywhere.

Larry stated, we need a solid diagram; get it surveyed so we know what we are looking at. Is it the Service Area’s responsibility to survey the area? Nathan replied, it is within your purview and you would want to have it surveyed prior to laying the road base. Chris stated, we can hire Ferrari Surveying to do a survey, stake it and take aerial pictures that show existing landscaping. Mr. Iverson replied, we have marked an alternative. He requested the Board perform the *homeowner’s preferred survey* at the same time and the homeowners will pay for the additional incremental cost. **Vince summarized, we are authorizing a survey of the Westwood cul-de-sac as platted and aerial photos.**

- b. **Road work review and discussion:** Marla reported, we had budgeted \$77.6k for maintenance and a Capital budget of \$120k to rehabilitate Wasatch Way. The bids we received include dust control for \$9.6k and grading for \$15k. Chris estimates the pothole repair will be \$20k and he recommends an oil application to Oakridge Road be a priority since we put down rotomill there last year for a subtotal of \$64.6k. We have budgeted \$106.3k for the rehabilitation of Wasatch Way with an additional \$11k for the two raised crosswalks giving us a Wasatch Way total of \$117k. The estimated cost to repair the problems at the end of Aspen Lane will be over \$10k and we have the money to do so based upon the above estimates.

Larry asked, what is in our road maintenance budget in capital? Marla replied, we budgeted \$77.6k for maintenance and, with the work on Aspen Ln and a little on Pace Place, we estimate the total road maintenance to be \$78k.

Again, the Wasatch Way bids have come in at \$117k compared to the \$120k budgeted. Larry inquired, what about the potholing and the oiling of Oakridge Rd? Marla replied, that is included. Larry asked, does that leave anything for our trails? Marla replied, trails is a separate line item with a budget of \$10k for trail maintenance. It does not include extending culverts which are needed in three areas to keep the trail level with the road. Those would cost about \$7.5k which would cut into our rainy-day-fund (RDF). Larry asked, how much would we have left in the RDF? Marla replied, we have overages this year for snow removal in the amount of \$80k. Those two items would give us zero in reserve. Vince and Larry stated, we need something in reserve. Larry prefers \$80k in reserve.

Marla replied, from a fund accounting standpoint, an RDF is not just for snow removal. It goes into your overall General Fund. Looking at our General Fund right now we have \$573k in that account and we are only halfway through our year. We anticipate using another \$200-300k out of that amount. **Larry requested, please provide the Board with a spreadsheet on this topic. Marla replied, she will do a cashflow analysis.** Suzanne agreed.

Vince asked, given the complexities with snow, should we look at moving our fiscal calendar, so we would be dealing with snow within one fiscal cycle as opposed to two? Marla replied, it does not really make any difference, but it would require an application with the IRS. It would provide a closer matching of your tax funds in a budgeting year. Nathan replied, you can choose whether you want to be on a fiscal or calendar year. **Vince requested staff think about this and do a report with pros and cons.**

- c. **Trail work review and discussion:** Marla reported, we are considering doing work in Lewis Park to remove brush and abandoned fencing and wire. We are in discussion with Utah Conservation Corps (UCC) regarding their services. They are trained in trail rehabilitation and work often with the national park and forest services. They have all the necessary skills as well as their own liability insurance. The anticipated cost is \$4.3k for five crew members for five days work. We have work in the following areas: Aspen Lane where scrub oak is interfering with line-of-sight and Lewis Park has fencing that needs to be removed. Vince asked, is the fence on SL-C-148 or in Lewis Park? Marla replied, we won't know unless we perform a survey. **Suzanne replied, we should inventory what needs to be done and prioritize it.** A lot of trail work is needed. Marla stated, at this time, UCC is completely booked but they anticipate cancellations. Vince and Suzanne agreed, UCC is a great deal. **Vince directed staff to put a punch list together and reach out to the adjacent homeowner.** Marla stated, this does not include making new trails. Also, there are cottonwood trees on Redden Rd. that should be removed. Larry stated, unless it is imperative to do so, he wants to retain all trees because they are difficult to grow in Silver Creek. Suzanne agreed. **Marla stated, and Larry and Vince agreed, we need to post signs forbidding hunting and trapping.**

Larry motioned the Board move into Public Comment which Bob seconded. Support was unanimous.

5. Public Comment:

- **Linda Kelsch (Lot 30)** stated, she appreciates the board's hard work. We have 20 little kids on Oakridge Road South, and she has heard parents state they wish there was a speed bump to slow speeding cars. They are employees of our neighbors. **She requested a speed bump.** Did you receive the letter she sent to the Division of Drinking Water? Do you need anything more from us? Nathan replied, we have completed our obligation so anything outstanding is between the Division Street and the Oakridge Road homeowners.
- **John Tinkelpaugh (Lot 108)** stated, Lower Silver Creek Road is a disaster. He drives around the dips creating a liability issue for the area and endangering others. The weather has heavily damaged our roads creating huge potholes. Above Meadowview Drive the potholes on the west side of the road are large enough to lay down in. The plethora of potholes are a hazard. We must save our investment of these side roads. **He requested, the Board return to having Public Comment before the meeting as it was in the past.** Vince replied, we are actively pursuing appropriate corrections to the Silver Creek Road. We anticipate the work will be completed by the first week of August. Larry stated, we are revisiting our fiscal year and considering bonding, with no increase in taxes, to bring in more money for road maintenance. John stated, we anticipate the worse fire season and we need to be attentive to fire safety.
- **Brad Iverson (Lot 139)** requested a variance to reduce the size of the required culvert. Chris replied, Mr. Iverson has requested a 12" culvert on his second driveway to a secondary structure off Cottonwood Trail. He is waiting for the width of the driveway from the county engineer, but he is tentatively supportive.

Bob motioned to leave Public Comment and move into Voting which Larry seconded. Support for this motion was unanimous.

6. **Closed session:** deferred because content was not provided.

7. Voting:

- a. Audit approval: Larry motioned to approve the 2018 Audit as presented. As Treasurer, Bob seconded the motion. Support was unanimous.
 - b. Property tax rate approval: Bob motioned to approve the presented tax rate. Larry seconded the motion and support was unanimous.
 - c. Invoice approval: Larry motioned to approve the invoices as presented in the board packet. Bob seconded the motion and support was unanimous.
 - d. Service Area Personnel Policy Revisions: Larry motioned to approve the resolution and proposed revisions to the Personnel Policy. Bob seconded the motion and support was unanimous.
 - e. Iverson appeal: Larry motioned to authorize a ROW survey at the end of Westwood Rd to accommodate the needed emergency turnaround within a reasonable timeframe. Bob seconded the motion and support was unanimous.
 - f. Fire flow vendor approval: Larry motioned to authorize the general manager discuss the pricing disparity in the fire flow bids. Suzanne seconded the motion and support was unanimous.
 - g. Road work approval: tabled.
 - h. Water rights: deferred.
 - i. Other items discussed during the meeting: no other items.
8. **Adjournment**: Bob motioned to adjourn which Larry seconded. Support for this motion was unanimous at 8:38pm.

APPROVED