

Summit County Service Area #3
July 15, 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): Suzanne Carpenter, *Vice Chair*; Bob Olson, *Treasurer*; Larry Finch, *Clerk*.

Electronic Attendance: Eileen Galoostian; Carol Spiegel.

Not in Attendance (Board): Mike Montgomery; Vince Pao-Borjigin.

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

In Attendance (Summit County Government): Kim Carson (Council Member); Tom Fisher (County Manager); Chris Robinson (Council Member); Dave Thomas (Chief Deputy County Attorney).

In Attendance (Public): Linda Kelsch (SL-A-30); Garret Kelsch (resident); Rob and Teresa Sammons (SL-B-161); Brad Iverson (SL-C-139) Steve White (Executive Pastor, Mountain Life Church MLC).

Note: due to closed sessions, the meeting was conducted out of order to the agenda.

1. Welcome and call meeting to order: Suzanne called the meeting to order at 5:38pm.

Larry motioned to move into Closed Session #1 which was seconded by Bob. Support was unanimous.

2. Closed Session #1 to Discuss Sale of Property Per Utah Code Ann. § 52-4-205(1)(e)

3. Review of minutes

- a. Review of May 20 and June 17 meeting minutes: Larry amended May 20th meeting minutes on page 2 of 9, under Financial Reports and Fund Balances, change to “inquire” and on page 5 of 9, 4th paragraph, change to “given”. Bob’s comments are included. Larry had no comment on June 17th meeting minutes and Bob’s comments were incorporated.
- b. Approval of minutes: Bob motioned to approved May 20th meeting minutes as amended which was seconded by Larry. Support was unanimous. Larry motioned to approve the June 17th meeting minutes as amended which Bob seconded. Support was unanimous with the exception of Eileen’s abstention.

4. Public Comments: Bob approved moving Public Comment to earlier in the meeting stating it should have always been that way. Linda Kelsch inquired about trail improvements, trail easements and the road that runs through her property. Who is responsible for that road? Chris replied, a few years ago the roads have been realigned at the top of the arch of Oakridge North and Oakridge South which affected your property as well as others. The roads are now in their correct alignment with a 50-foot ROW. Marla stated, if the Service Area were to build trails, we would enter into an agreement to do that if it was your land. Chris affirmed Meier Drive is not a County road and is not maintained by SCSA3. We should probably get clarification on any remaining questions. Suzanne and Nathan affirmed the Service Area will vacate the unneeded portions of dedicated roads. Nathan stated, the Service Area has a policy not to “double-dip”. Although we have a right to both as-built and as-platted roads, it is the policy of the Service Area to correct these issues as they arise. The methods to correct these issues could include street vacation and/or plat amendments through Summit County. **Linda requested that she be kept informed on the ROW corrections adjacent to her property.**

Rob and Teresa Sammons requested an update on the Redden Road speed bump. Chris replied, the Redden Road speed bump was removed (by Rob Sammons who damaged the speed bump irreparably and faces civil charges) and he identified, pointing to a map, it’s original location and the suggested new location near Meadowview Drive. Rob reminded the Board about the petition requesting the speed bump’s removal. Marla replied, we found the meeting minutes where the petition was presented. At that time, the Board did not vote to approve the removal of the speed

bump; they approved a change to the type of speed bump. We have ordered a new one. The fire district does not want two bumps on that road. Teresa stated, she had an accident while riding her motorcycle driving in first gear under 15 miles per hour over the most recent speed bump and was seriously injured. **She requested the Board ensure all speed bumps within the community are suitable for all vehicles.** Chris replied, depending on the Board's approval, a new speed bump on Redden Road may be a permanent asphalt speed bump and we will follow uniform traffic standards.

Rob stated, he approved the new location because it would slow down more people on Redden Road than the previous location because they could avoid the original bump by detouring on Meadowview Drive. He never understood why the original location was chosen. Chris replied, there were more children to protect in the original location.

Eileen asked, didn't we agree several meetings past to put all the temporary speed bumps back up? Chris replied, they are all back up except for the one on Redden Road because it was destroyed. Eileen asked, why isn't it back up? Marla replied, because we had to order a new one. Eileen asked, it still hasn't come in? Chris replied, no, he only has the stakes. Eileen pointed out, it's been one-and-one half months; should you use another vendor? Suzanne replied, we should install a permanent speed bump. Eileen replied, we want to make sure we are doing the right thing before we use permanent speed bumps. She recalled, we discussed this in May. We want the temporaries up until permanent locations and types are discussed and approved. **Chris stated, he will follow-up with the speed bump vendor.**

Larry motioned to end Public Comment and begin the Public Meeting at 6:45pm which Bob seconded. Support was unanimous.

5. Administrative and Financial:

- a. Staff reports (Concurrency, road bond): Marla reported, we had a meeting in June 19th. The Board will recall we were on probation because we hadn't done our necessary filings. We were removed from probation and we received laudatory letters from Summit County and Hansen, Allen and Luce (HAL). Dave Hansen noted our Total Dissolved Solids (TDS) is increasing and are very pleased we are addressing the problem at our District Well. As we draw down the District, the TDS concentrations get higher, so this is why it is imperative to bring the Greenfield Well online to give relief to, and draw down the solids at, the District Well. It is important we get the arsenic treatment established at the Greenfield Well. Larry stated, the report suggests it will take 10-years to get to 750-milligrams-per-liter, so we have a little bit of time. Marla stated, this recommendation gives us sufficient time to make a plan. Chris just turned on the Greenfield Well last week.

Larry inquired about the letter from the State of Utah in the packet. Marla replied, it doesn't apply to us because the letter is about a groundwater management plan and we do not use groundwater. Nathan corrected her stating, all of your rights are groundwater, not surface water. A groundwater management plan is advisable; its' purpose is to make sure that the groundwater in the area is managed appropriately. The plan can be made by the State Engineer or water right holders in an area. It appears the State Engineer has already adopted a plan. Larry noted, the hearing was on May 21st and asked was the Service Area noticed on this? Marla replied, no, the State notified us after the fact. Nathan stated, there is nothing to be concerned about.

Suzanne pointed out, "Item #3 entities must report annually their water use data to the Utah Department of Natural Resources, Division of Water Rights". We are already doing that with the concurrency report for the system, but we need to be pulling a summary of upper-well usage and reporting it. Nathan replied, there is a requirement that they be metered. The concurrency applies to your water system not the individual wells. The report we did a couple of months ago is also specific to the water system and does not include the wells. Right now, no one is requiring we report on the wells. However, we are required to meter them. Suzanne asked, should we send out another letter to those have failed to install a meter? Marla replied, we need to do a visual inspection to ensure those who claim to have installed a meter have actually done so. She recommended Chris be assigned to inspect every lot, identify the lots with meters, ensure compliance, get the meter number and put a beacon on the meter. He will also identify those lots that do not have a meter so we can address that issue directly with the property owner.

Larry stated, in the email from *Ann Merrill* dated July 9, 2019, she indicated funding is available to assist in the cost of installing meters. If we can provide assistance to the homeowners, we should do that. *(Note: The email*

refers to 2019 SB 52 which states this funding only applies to those community water systems who provide **pressurized non-culinary water for residential lawn and garden use and not agricultural use**. As such, it does NOT apply to SCSA3). Marla replied, she will investigate any funding available from the State. Suzanne summarized, let's get the plan going to collect the meter information and get the beacons installed because any time a new regulation comes out reporting usually follows.

Marla stated, regarding Class B Road Funds, we have been asked to identify the roads and their maintenance costs which can be seen in the *Road Maintenance Schedule* provided in the packet. Also provided, is the *Debt Service Schedule and Pricing Summary for a \$708k Excise Tax Road Revenue Bond* from Zion's Bank which indicates the amount of money we can borrow against our Class B Road Funds. Our road maintenance cost estimate is \$673k. We can borrow \$708k with a term length of 10-years. It cannot exceed 80% of our annual Class B Road Funds. A public hearing is required but a public vote is not since we would not be raising taxes, but we would be pledging our Class B Road Funds. We will continue this discussion under "Roads".

- b. **Tax rate increase process:** Marla presented *attachment 5b (a timeline of steps), from the State of Utah, "2020 Calendar Year Entity Property Tax Increase Requirements (TNT)"*. The first thing the Board needs to decide is whether or not you want to pursue a property tax rate increase. The Board should make a decision in August 2019 and hold the Public Meeting in September 2019. We can prepare our 2020 Budget with or without the property tax rate increase income and we can be ready for our Budget Hearing in October 2019. Marla confirmed the added tax revenue would become available at the end of 2020 for use in 2021. Larry stated, he wants to move forward with this proposal and begin in August. This would raise an additional \$150k. **Marla agreed to put it on the August 2019 Board Agenda.**
- c. **SCSA#3 financial and dashboard review:** Marla stated, we continue to decrease the number of past due accounts (*see attachment 5c in packet*). The accounts past due over \$1k has dropped from 16 to 4. Many of those are on payment plans. Larry asked, what are our total receivables now? Marla replied, the total is \$33.7k. Larry remarked, it was \$150k a year ago and now we have less than two months outstanding which is reasonable. Marla replied, last year, we spent over \$100k on meter relocation. Our cash position differential from 2018 to 2019 \$800k vs \$802k. Larry asked, what is *Water PTIF 5946 under Cash Summary*? Marla replied, PTIF 5946 is the repair and maintenance fund that is required under our bond. Larry asked, can you touch that money? Marla replied, yes. The State of Utah said we may use this money for repair and maintenance of our water line. Larry asked, can we use some of that money for water quality improvement? Marla replied, yes and we can bond for water quality improvement along with our arsenic. Larry replied, the challenge is that we have to dig up Wasatch Way twice. Bob replied, we do not have to dig up Wasatch Way twice because there is an interface at the end of Redden Road to Wasatch Way. Any impact would be to a small area of the intersection.

Marla stated, under financials, she has added a new column called "Forecast" to the end of the year. This gives us a sense of where we will be at the end of the year in terms of shortfall in the General Fund. Larry asked, why are we so far behind in the collection of Class B Road Funds? Marla replied, the County and the State are slow. They are a month later than they were last year. The County says they haven't gotten the money from the State. In the future, we can have our audit done by the end of April if we put in an average number or best guess. Bob stated, it's better than it was several years ago when they didn't give us any money at all.

Marla stated, "Change Over Prior Year" show we are either receiving more income or less income and spending more or spending less. Suzanne remarked, in the Water Fund, our Operating Expense was supposed to be \$233k and we are forecasting \$319k. Marla replied, we didn't budget for the arsenic study or the work on water quality, so our engineering fees are high. **Larry asked, are you preparing an amended budget to go to hearing? Marla replied, yes. Larry stated, we also need to amend the Roads Budget. Marla agreed.** Suzanne stated, the total expenditures budgeted for 2019 is \$470k while the forecast predicts spending of \$464k so we are doing okay and the same with the Water Fund. Marla replied, she will get a better sense in the next couple of months. **Larry suggested a meeting of the Finance Committee at 4pm July 29th.**

Marla stated, we take the Cash Flow from Operating Activities then we make any needed adjustments. In the Water Fund, depreciation is included in the financial statements; it is added back in for cash flow. Also included, are projections for other projects under consideration. Those numbers are not firm. If we bond for our water quality and arsenic treatment, it would be an \$1 million to \$1.2 million depending upon the cost to build the arsenic treatment plant. We need to discuss bidding out the work next year. Some of the bids received included premium charges for overtime since the contractors are all very busy. HAL tells us, this is not an emergency project. Marla recommended going out to bid in the fall for Spring 2020 construction.

Larry asked, in the Water Fund, what does cash flow look like when we remove the expense of depreciation? Marla replied, that is the first one cash flow because it pulls depreciation of \$71k back in. We budgeted at a loss of \$56k. With depreciation our cash flow is a positive \$15k. Suzanne replied, we have cash to cover ourselves, but our payments are not sufficient to cover the investment we need. Larry agreed stating it will get worse once the Arsenic Treatment plant is operational and factored in. Suzanne agreed, stating the depreciation value goes up. Larry replied, his concern is the cost to replace the media of the proposed arsenic treatment plant \$80k every four years which means we have to budget \$20k each year for this fixed cost. Suzanne stated, we need to ensure the Water Rate Study takes into account the building of the arsenic treatment plant. Larry replied, plus the bond amount. Marla and Suzanne agreed. Larry stated, we are going to have expensive water. Suzanne disagreed. Marla replied, it will be about the same as Mountain Regional. Larry replied, it will cost each household an additional \$13 per month just for the media. Marla agreed.

- d. Invoice review: Marla sent the Board the legal invoices via email. Suzanne noted, she did not see anything unreasonable; only the work we asked him to do. Marla stated, we also received discounts.
- e. Number of Board Seats discussion: Nathan stated, the Board is the governing authority of SCSA3 which means the board has the authority to change the number of seats. However, since you are elected, that will involve changing your voting districts. **You are also required by law to perform a voting district boundary review within every 10-year period.** Although the County Ordinance specifies SCSA3 have seven board members, the County is willing to update their code when you notify them the decision to downsize has been made and you have gone through the Public Hearing process. Bob stated, a board membership reduction would mean three lower members and two upper members. Why can't we retain the districts and just proportionally reduce the representation? We could also specify that each member come from different plat sections within lower and upper. Suzanne stated, she wants to do more active campaigning and is in discussion with a couple of people who are interested in running. Nathan stated, they would be write-in candidates. Eileen Haynes stated, they can submit their write-in candidacy in the SCSA3 office until September 3rd.

Suzanne stated, seven board members is more desirable than five so that we have a diversity of viewpoints. However, if we cannot secure sufficient candidates, she will support reducing the number of board members because we need to be able to function as a board. Bob pointed out, four people have been running the board the last six months. Larry replied, it has always been tough to get seven members and now that we have a general manager maybe it's time to look a smaller board. If his car hadn't broken down, there would not have been a quorum last month. With a five-member board, three will constitute a quorum and we can get business done. Eileen stated, a seven-member board, while occasionally difficult to come to consensus, would represent more people. Ideally, it would be great to have a representative from each plat section, but it doesn't work out that way and a seven-member board is more likely to ensure adequate representation. In 3 ½ years that she has been on the board, it hasn't been a problem until recently. If we don't have enough people to elect, we can recruit again in January and then appoint someone. She agreed with Suzanne, let's not jump the gun. Marla stated, we last reviewed the boundaries eight years ago. **Nathan advised, if the election is uncontested, you can cancel the election, but you have to review your boundaries within the next two years.** Bob pointed out, the County has the right to appoint people. Eileen Galoostian and Vince Pao-Borjigin do not plan to run for re-election.

- f. Fiscal year versus calendar year discussion: Marla stated, we have been asked to review our accounting calendar year because we cut off one month for snow removal. She reported, the State tells us the options are a calendar

year or a fiscal year ending June 30th. One method cuts off road maintenance or one month of snow removal. Marla recommends keep it as is. If you shorten your year, you need to do an audit that costs \$9k each year.

6. Water:

- a. Fireflow & Water Quality update, Water Bond: Marla reported, we went through the bid process to look at water quality and fireflow. The bid amounts exceed the number we are comfortable with. She spoke to the State and we can do water quality and arsenic through the Division of Drinking Water. We have submitted our applications before the end of August to be on their agenda for their November board meeting. This process requires the assistance of our engineers. The application is lengthy. The Board needs to decide if you want to pursue the water bond this fall in order to get funds for next year for both fireflow and water quality. Chris stated, they have to be together. Larry and Suzanne agreed, we are not ready. Marla stated, we are adding loops to improve water quality. The next cycle is two months prior to their board meeting. Chris recommended, apply for the State fiscal year at their July 1st meeting when their coffers are full. They get on-going federal money. **Marla will review the dates, submission requirements and timelines.** We don't have to submit engineering plans, but we can. If HAL says this is our estimated cost, they can use that. The bigger issue is, we know fireflow and water quality is not urgent, how long is the arsenic going to take? **Suzanne suggested, we meet to plot out a plan. Larry agreed.**
- b. Arsenic study update: Larry stated, we seem to have selected the adsorption method. We have asked HAL to submit costs for the entire system including building, connecting to the system, maintenance, and possible future connections. What does that look like? We know the skid is \$300k. We are going to visit West Tech. **Marla stated she would remind Vince to arrange that appointment.** Michelle DeHann, Water Quality and Treatment Manager at Park City Municipal Corporation, recommended we do rapid column tests over a couple of months, not just one week. Suzanne agreed. Chris stated, it is mainly the silica that effects the adsorbent material. Bob asked, can we get the application and complete what we can in order to get ahead on it? Marla replied, yes, she has done part of it, but it asks for legal costs and things we can't yet answer. It is going to take more money to have HAL perform the work the application requires. She offered to get an estimate from HAL. Bob stated, he wants to avoid doing everything at the last minute. **Suzanne agreed, let's fill out the information we have got and let's get the framework in place, so we know what information we need and when we need it.**
- c. Water rights purchase agreement: discussed in Closed Session #3.
- d. Other water issues (Division Street): Marla stated, a property owner wants to build a warehouse in the wetland area near the Sinclair gas station in Section I. Her understanding is that there is no water assigned to that property, yet they provided an undated letter with an auto-signed signature from a previous SCSA3 employee stating the property has water. Suzanne stated, this doesn't appear to be a valid agreement. Marla replied, she informed the property owner they should submit their plans to the Service Area. **We will make an assessment and advise them where to purchase water rights.** Larry noted, this is our letterhead. Suzanne replied, our letterhead is available on the internet. She doesn't believe that Kathy Handsaker would create an unsigned and undated document. Bob stated, there was a lot of discussion regarding water for that particular property four or five years ago. **He suggested staff review the minutes.** Marla replied, there is no date on this document. In the research we have been doing for Richard Hunt, in the 1993 minutes, the board decided that those individuals who would benefit from a connection to our culinary system would pay standby fees. She has found no evidence these property owners paid any fees. Bob assured the board, we did not want that property to be developed the way they wanted to develop it, so it is doubtful this letter is legitimate. Marla stated, the property title does not show water. Larry stated, on Jerry Kinghorn's counsel in 2001 or 2002, we stopped charging standby fees because we could not give them water in Section I.

7. Roads and Trails:

- a. Road Update: Chris reported, Wasatch is going to be pulverized on July 29th and the paving on August 2nd. **Larry requested a notice go out to the community.** Steve White (MLC) reported, he does not have any new information. MLC is struggling to get the test results from Terracon. Stanley Plaisier, PE, MLC's new project supervisor and a civil engineer, reported there are some missing test results. He will continue pursuing results with Terracon. Alliance knows that as fast as we get the results, they will put the engineering plans together which we will present

to Marla and Chris for their review and approval as fast as possible. Terracon promised us a 24-hour turnaround three weeks ago. He is looking for a new geo-tech company. Chris advised, we have a sense of urgency due to school starting. If you must switch firms, go back to the core sample that we never got. That might help simplify what you are missing. Steve replied, if they must do that, MLC will coordinate that with Chris, but he is reluctant to switch firms. Marla asked, if you can't get the engineering, there is a point where we will not let them work. We need to decide what that cut-off date is. School starts August 20th so we must decide if we can live with existing problems for another year. Suzanne replied, she is concerned about the manhole and plowing that section during the winter.

Larry asked staff, why was the contractor allowed to work without an approved plan? Why was the contractor allowed to work until 11pm at night without adequate lighting and flaggers? We were promised flaggers. The blue-stick people were not out there until four hours after the digging commenced. Why was that allowed? We were lucky no one was hurt. We are not running this in a professional manner. Where is the Stormwater Management Plan and the Traffic Control Plan? Marla replied, we explained our concerns to Steve and made recommendations regarding his personnel. The MLC Board is aware of our issues with Dave Morse's (MLC's prior project manager) performance and we are assured it will not happen again. Larry stated, a million-dollar insurance policy is not worth very much these days. He is very concerned about someone getting injured. He regrets approving this project. He is open to completing this project this fall, even after school starts if MLC ensures their contractors will operate with a complete plan and get the project done properly. Suzanne suggested MLC have their attorney prod Terracon. Chris suggested, have Stan Plaiser and Mike Demokowicz from Alliance Engineering prod Terracon. **Steve stated, their plan is to contact them once a day to get compliance.** We are pleased with the way the first two patches turned out, and we want to make sure the next are done at least as well. Larry replied, it will look good with a couple of inches of asphalt on top.

Chris reported, the mag-chloride was applied. Suzanne observed, a section of Cottonwood Trail received extra gravel and it looks nice. Larry asked for a pothole update. Chris replied, we have filled a portion of the potholes. He held back a little bit in order to use hot patch instead of cold patch, but he will continue to move forward and not wait until July 29th. He has gotten complaints about a few areas. Larry requested an update on Aspen Lane repairs. Marla reported, you can see a spreadsheet in the packet, and we have gotten a price from Advance of \$10k. We have the funds. Chris confirmed they can do the work at the same time as Wasatch Way. Larry confirmed we will continue to have \$80k in reserve. Larry asked for an update on Redden Road speed bump damage and recovering our costs. Marla replied, she sent a letter to the County Attorney indicating if the Service Area can recover our expenses, we will not pursue prosecution. She will send the Sammons a bill for parts and labor. Suzanne asked, will we use that money for a temporary or a permanent speed bump? Chris replied, the temporary is on order but it can be canceled. A permanent asphalt speed bump will cost about \$6k while a concrete raised bump is more expensive. Suzanne and Larry prefer an asphalt bump. Bob recommended, we should install the temporary and ensure we are satisfied with that location then we can install the permanent. We have many locations where the temporary bump could be used later. **Suzanne and Larry agreed. Chris will follow-up with the vendor and let the board know. Eileen agreed the temporary should be installed right away.**

Larry asked, does staff have a tax revenue section recap by platted area? **Marla will prepare that and send it out. Larry requested staff provide the board with the itemized charges for MLC. Marla will do so.** MLC has been billed.

- b. Trail work discussion: Chris reported, we applied a chemical application to control weeds on the Westwood Trail and on Silver Creek Trail up to Westwood Road. Eileen H confirmed, the weed spraying announcement went out on Nextdoor on July 12th. Larry stated, he is not a fan of weed spraying and he would like the board to consider the purchase of lawn tractor to mow the weeds. Chris replied, he has a mower and he uses it side-by-side with the spraying. **Some of the weeds are too low for the mower so some spraying is unavoidable, but he can reduce it.** It would be nice if the equestrian community and bike riders will use all the trails more. Eileen replied, we will not achieve complete weed eradication through trail usage. The trail weeds are spreading to private property. We should follow the County's Ordinances and take care of it promptly.

Chris reported, the large gravel was removed and the limestone roadbase applied to the top on Redden Trail from Maple Drive to Westwood Road. He assured the board the correct limestone was used. Eileen disagreed and asked why the material wasn't inspected before installation? Also, the installation was not performed correctly. From Westwood Road to Maple Drive, the same poor rock was applied and she must take her horse off the trail. Chris will revisit the applied gravel. **Eileen agreed to send the pictures to Larry.** Chris confirmed it will continue farther up. **Larry, Eileen and Chris agreed to meet Tuesday morning at 7:30am at the corner of Maple Drive and Redden Road.**

Marla presented the work priorities for Utah Conservation Corps (UCC) who will come the week of July 22nd. **The priorities are the deadfall and removing the fence t-posts and barbed wire.** The UCC supervisor is meeting us on Wednesday this week. We did a field trip with the fire marshall who pointed out excessive deadfall that should be removed in Lewis Park. He said Lewis Park is a disaster. Chris stated, the State will come and chip it. Suzanne observed, it is a good plan. Afterwards, we can use community volunteers to finish what needs to be done. Marla reported, the fire marshall gave us key locations and other issues that we have put on the list of key road work. Bob reported, a surveyor inspected his property and staked it for a trail. The trail is almost completely in the right of way. He offered to give the Service Area a few more feet necessary for the trail. **He invited Chris and Marla to meet at the trail to determine how many additional feet is necessary.**

Eileen thanked the staff for working with the property owners to achieve the improved and corrected driveway connections to Silver Creek Trail between Meadowview Drive and Westwood Road. The driveway at the very top on the left needs work. What is the status on removing the cement drain? **Chris will follow up. Marla replied, at the next board meeting we will present proposed driveway standards to be included in our construction packet. The standards will address issues associated with second and third driveways which will require approval and inspection by the Service Area. Eileen requested Redden Trail be completed.**

- c. Earl Street discussion: Chris reported, in the Woodside Homes Development Agreement, they were required to improve Earl Street/Commerce Street (the portion from Silver Creek Road to the bend). They have done it twice badly and it has not been accepted by the County. The road is built in the wrong location and there is no shoulder. They have offered to put in a guardrail as a solution instead of tearing it out and redoing it. Chris nor Marla nor the affected HOA approve of this solution. They would like it repaired properly. Nathan interjected, this is a topic in our third closed session tonight.
- d. Westwood Road cul-de-sac: Marla reported, residents of the cul-de-sac sent SCSA3 a signed agreement and a diagram of their proposed hammerhead turnaround. The fire marshall has toured the Service Area and has determined he will not approve a hammerhead in lieu of the platted Westwood Road cul-de-sac. He must have a 96-foot cul-de-sac, but he will consider a shift of the cul-de-sac. The fire district's concern is that it is a volatile "wildland access point". The equipment used to fight a fire in that area will not work with a hammerhead. **We have requested the fire marshall send us his opinion in a letter.** Bob encouraged Brad to meet with the fire district in person.

Brad asked, did the fire marshall inspect all the cul-de-sacs? Marla replied, yes, we looked at every single deadend and he requested corrections in several locations. The fire marshall stated, it is extremely critical to have a properly sized cul-de-sac at the end of Summit Drive which is not currently platted for one. The older homes in that area do not have a water vault. In the event of a fire, the firefighters would have to bring in a water tank and water trailer. There is no way for them to turn around and the road is highly unsuitable for backing up. However, they will not use the top of Cottonwood Trail for certain equipment because it would be too dangerous due to the extensive shrubbery. The Tollgate Road cul-de-sac is suitable. Aspen Lane was a command area recently and is workable. Linger Lane is workable.

Larry motioned to move into Voting. Bob clarified, we will have two voting sessions. Bob seconded the motion. Support was unanimous.

8. Closed Session #2 to Discuss Water Rights Purchase Agreement Per Utah Code Ann. § 52-4-205(1)(d).

Bob motioned to move out of open public session into Closed Session #3 to discuss potential litigation which was seconded by Larry. Support was unanimous.

9. Closed Session #3 to Discuss potential litigation Per Utah Code Ann. § 52-4-205(1)(c).

10. Voting:

- a. Invoice approval: *Larry motioned to approve the invoices as presented which Bob seconded without discussion. Support was unanimous.*
- b. Tax Rate increase approval: *Suzanne directed Marla to proceed.*
- c. Board Seats approval: *this subject is deferred.*
- d. Arsenic study vendor approval: *this subject is deferred.*
- e. Water Quality Bond approval: *this subject is deferred.*
- f. Water Rights purchase agreement approval: *Larry motioned to approve the Water Rights Contract as written, authorize the general manager and legal counsel to solicit from the same seller and buy an additional five water rights for \$500 less per acre-foot which was seconded by Bob. Approval was unanimous.*
- g. Road Bond approval: *this subject is deferred.*
- h. Trail work approval: *Larry motioned to engage the UCC to perform the trail work and approve the spending on trail work not to exceed \$6.5k and does not need any additional board approval which Eileen seconded. Support was unanimous.*
- i. Other matters discussed: no other matters discussed.

Larry motioned to move out of Voting into Closed Session #2 Water Rights which Bob seconded. Support was unanimous.

11. Adjournment: *Bob motioned to adjourn which Larry seconded. Support for this motion was unanimous at 9.27pm.*

APPROVED