

**MINUTES OF THE WASATCH COUNTY COUNCIL
ACTING AS
THE GOVERNING BOARD OF THE JORDANELLE
SPECIAL SERVICE DISTRICT
FEBRUARY 13, 2024**

PRESENT: Board Chair Mark Nelson
Board Member Eric Rowland
Board Member Steve Farrell
Board Member Kendall Crittenden
Board Member Spencer Park
Board Member Luke Searle
Board Member Karl McMillan

STAFF: Max Covey, General Manager
Shari Coleman, Accounting Assistant
Wade Webster, Keetley Water Treatment Plant Manager
Chance Morris, Distribution/Collections Manager
Theresa Baronek, District Treasurer
Dana Kohler, Administrative Assistant
Kierstan Smith, CPA
David Fuller, Assistant General Manager
Rick Tatton, taking minutes via zoom.

Board Chair Mark Nelson called the meeting to order on Tuesday February 13, 2024, at 5:35 p.m. The record should show that all the Board Members of the Governing Board of the Jordanelle Special Service District. Also indicated that the Governing Board of the Jordanelle Special Service District is meeting in the Wasatch County Council Chambers in the Wasatch County Administrative Building located at 25 North Main, Heber City, Utah 84032. Board Chair Mark Nelson then called the first agenda item.

REGULAR SESSION

APPROVAL OF THE MINUTES FOR JANUARY 9, 2024

Board Member Spencer Park made a motion to approve the minutes for January 9, 2024, as written. Board Member Luke Searle seconded the motion, and the motion carries with the following vote:

**AYE: Board Member Eric Rowland
AYE: Board Member Spencer Park**

AYE: Board Member Kendall Crittenden
AYE: Board Member Luke Searle
AYE: Board Member Karl McMillan

NAY: None.
ABSTAIN: Board Member Steve Farrell (absent)
ABSTAIN: Board Chair Mark Nelson (absent)

WARRANT LIST APPROVAL

Board Member Steve Farrell made a motion to approve the warrants in the amount of \$2,071,838.19. Board Member Luke Searle seconded the motion, and the motion carries with the following vote:

AYE: Board Member Karl McMillan
AYE: Board Chair Mark Nelson
AYE: Board Member Luke Searle
AYE: Board Member Eric Rowland
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Kendall Crittenden

NAY: None.

GENERAL MANAGER'S REPORT

Max Covey, the General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that Fisher Ranch is doing well. There were a couple of delays and expected to have a startup as early as May on the plant but there are some electrical components, generators, transfer switches that have been postponed and so realistically be more like June.

Max Covey indicated that we will be working on some other larger projects. There is the piping project there by the dam where our two new tanks are built on the west side on the Extell project. We are going to have a large capital project there to connect the pipes within the next couple of months and will work with the Governing Board for approval on that.

Max Covey indicated that the State Park Sewer Lift Station is a big project. It is under construction doing well and the heavy construction will be completed by the first of May on that.

Max Covey indicated that he is working with the Midway Sanitation District on formalizing an agreement for the emergency flows of sewer and different things as well as with Heber Valley Special Service District. They are in a transition period right now with some things but making some good way. We are formalizing that and getting that agreement in place and there will be

more to come on that and bring everybody up to speed about why we would need to do that and different things.

Max Covey indicated that we are updating UPDS permit or discharge permit on the water reclamation facility and we must update those to add a reused component to the discharge permit, but we must update those every few years and we are in the process of that.

Max Covey indicated regarding the legislative we are still working with Shelly and anything concerning water Shelly gets that to me. There was a bill that affected larger districts and larger districts couldn't have irrigated over x-amount of square footage of irrigated land at their offices and things of that nature. Board Member Steve Farrell indicated that there is a bill concerning having a Statewide Water Commissioner to work with other states to trade water rights, etc.

OTHER BUSINESS

Max Covey, the General Manager, and the Governing Board of the Jordanelle Special Service District both indicated that they have nothing further.

Max Covey also indicated that we need to have a Closed Session for the sale of real property.

Board Member Kendall Crittenden made a motion to leave our regular session and go into a Closed Session to discuss the sale of real property. Board Member Karl McMillan seconded the motion, and the motion carries with the following vote:

**AYE: Board Chair Mark Nelson
AYE: Board Member Eric Rowland
AYE: Board Member Steve Farrell
AYE: Board Member Spencer Park
AYE: Board Member Kendall Crittenden
AYE: Board Member Luke Searle
AYE: Board Member Karl McMillan**

NAY: None.

Board Member Spencer Park made a motion to leave the Closed Session and go back into regular session and hear the Public Hearing that is scheduled for this evening. Board Member Karl McMillan seconded the motion, and the motion carries with the following vote:

**AYE: Board Member Karl McMillan
AYE: Board Chair Mark Nelson
AYE: Board Member Eric Rowland
AYE: Board Member Steve Farrell
AYE: Board Member Kendall Crittenden
AYE: Board Member Spencer Park
AYE: Board Member Luke Searle**

NAY: None.

Board Chair Mark Nelson indicated that the Governing Board of the Jordanelle Special Service District is again in regular session and the time is 6:00 p.m. which is the time set for the public hearing. The record should reflect that Board Member Luke Searle and Board Member Spencer Park are both attending the hearing via Zoom.

**PUBLIC HEARING
FEBRUARY 13, 2024**

JSSD ADOPTION OF AN IMPACT FEE FACILITIES LAN AND IMPACT FEE ANALYSIS CULINARY WATER RESOLUTION #2024-01.

Staff

Max Covey, the General Manager, indicated that Bowen Collins just completed the analysis and study of the water impact fees in the Jordanelle Area. Justin Dietrich, from Bowen Collins will now address us.

Justin Dietrich, from Bowen Collins, presented a power point presentation and then addressed the Governing Board of the Jordanelle Special Service District and indicated that the purpose of an Impact Fee Facilities Plan (IFFP) is to identify demands placed on District facilities by future development and evaluate how these demands will be met by the district. The IFFP is also intended to outline the improvements that may be funded through impact fees. Also, the IFFP provides a technical basis for assessing updated impact fees throughout the district. This document will address the future infrastructure needed to serve the district regarding future development based on current land use planning. The existing and future capital projects documented in this IFFP will ensure that the level of service standards is maintained for all existing and future residents who reside within the service area. Local governments must pay strict attention to the required elements of the impact fee facilities plan, which are enumerated in

the impact fees act.

To evaluate future infrastructure needs, it is first necessary to project how demand for culinary water will increase in the future using available information for existing development and growth projections from the District's Water Master Plan, projected growth in system demand is as we have indicated.

The impact fee facility goal components are:

1. Identify the existing level of service.
2. Establish a proposed level of service
3. Identify excess capacity to accommodate future growth at the proposed level of service.
4. Identify demands placed upon existing public facilities by new development.
5. Identify how demands from new development will be met.
6. Consider the following additional issues which are revenue sources to finance required system improvements. Necessity of improvements to maintain the proposed level of service and need for facilities relative to planned locations of schools.

Justin Dietrich indicated that the last impact fee update in JSSD was in 2018 which was an addendum to the 2015 impact fee update. Since there has been consistent growth which is making it hard for the current impact fee to handle such growth. We now have good cost numbers to bring the plan up to 2024. The system has been planned for future needs and estimated costs for those. There is a lot of development in the Jordanelle area that is being planned. We typically recommend three to five years to look at things in a plan. Regarding impact fees there are some things that need to be taken care of. We also have bonded users. A lot of the system was built through special assessment bonds. JSSD must continue to expand infrastructure to make sure that there is capacity to those entitled users when they develop. We have future unbonded growth that needs to be accommodated and our number one goal and priority of any impact fee study is to make sure that existing users are not subsidizing future development or vice versa.

If you were to compare our 2015 water master plan with this one from 2022 you will notice, there is a little increase in build out, so we do see some developers with more units than were bonded but not significantly more. We need to complete the loop around the east side of the reservoir and that is important for redundancy and emergency supply so we can move our sources where we need to in an emergency.

We currently have two service areas which we looked at in this analysis and found that there wasn't a reason to have two separate service areas anymore, so we are proposing a single service area for all Jordanelle. We must emphasize the costs that we have presented in the impact fee facility plan are based on real recent project costs. We need to update this fee to 2024 dollars to meet that goal of not having subsidies either way between the existing and future users. The second one is to compare that to inflation. Construction inflation is much higher in this region than regular consumer inflation. Construction projects which are directly tied to capital projects which are directly tied to impact fees are two and a half times more inflation that we have seen.

We are moving from dollars that were locked in based on infrastructure built a long time ago. That excess capacity is diminishing, and we are growing into new areas and so it is no wonder that we get to this tipping point where we must get over the hump and get to current day dollars considering that inflation. These fees have been made to be as fair as possible between existing and future years and represent real costs of capacity for those future users.

Board Member Mark Nelson asked when would it take affect if it gets approved? Dustin Dietrich replied that there is a ninety-day period on the impact fee and so if it was approved tonight, it would be ninety days from today.

Board Member Steve Farrell asked if this is for the water treatment plant regardless of where it is. On the Ontario Tunnel the treatment plant has been paid for, but we are still charging A and B \$3900, what does that reflect? Dustin Dietrich replied that we are going to be charging them \$5150. All the production capacity in Keetley has been sold out or is going to be sold out. All the users regardless of where they are in the district and are required to pay for the next block of source which is Fisher Ranch unless you are bonded. It must come from the lower treatment plant.

Max Covey replied that our next source is the treatment plant and going to be phase two of the treatment plant and so on. Board Member Steve Farrell asked how we are going to deal with those ERU's that we just talked about in Center Creek getting water out of that treatment plant to convert their M&I water. Max Covey replied that is the same treatment impact fee. Also, we will be back here in three months looking at the sewer component. We are just looking at the next source block that we have planned and the treatment production part of it is real numbers. We are in the middle of building a plant and we can use our numbers on that and that is the same as storage. We have built a couple of tanks in the last couple of years as well as all the development around us so all of these different areas we have been able to use our real costs that we are seeing to build this infrastructure and that has been one of the benefits with having all of this construction is we don't have to go and get comparisons of local areas and those costs but we are using our own. There are some transmission fees to get water through North Village so there has been a fee established to get it through North Village over into the Twin Creeks area. Board Member Steve Farrell indicated that is going to be a nightmare to keep track of this because they still have got excess capacity in their well.

Public Comment

Board Chair Mark Nelson then opened the hearing up for public comment. There was no public comment given so it was closed.

Motion:

Board Member Kendall Crittenden made a motion that we accept Resolution #2024-1 adoption of an impact fee facilities plan impact analysis for culinary water in JSSD. Board Member Steve Farrell replied that before I second that motion, we can only hold these impact fees for seven years unless we identify a capital project. Are these capital projects that will

extend longer than the seven years. Max Covey replied that I believe it is six years for the impact fee. There are a couple of things that can happen, so if our capital facilities plan and impact fee plan have identified a large project like a \$30 million expansion. Board Member Steve Farrell replied that the Sorensen project is going to go longer than seven years which still be a thirty to forty year build out. Max Covey replied, “like the wastewater plant and came to that we have an expansion coming in and it is going to be a \$30 million expansion out there. If we have identified a large project and we don’t have enough funds we can then submit a letter explaining that we are holding these fees to gain enough funds to be able to complete this project and we have done that in the past. Yes, that is how it works. We are not just sitting on right which we shouldn’t be but if there is a large project we just need to be saving for and they will allow us to submit that. We are going through an annual audit and so we need to identify that.

Board Member Steve Farrell then seconded the motion, and the motion carries with the following vote:

**AYE: Board Chair Mark Nelson
AYE: Board Member Eric Rowland
AYE: Board member Steve Farrell
AYE: Board Member Spencer Park via Zoom
AYE: Board Member Luke Searle via Zoom
AYE: Board Member Kendall Crittenden
AYE: Board Member Karl McMillan**

NAY: None.

ADJOURNMENT

Board Member Kendall Crittenden made a motion to adjourn. Board Member Steve Farrell seconded the motion, and the motion carries with the following vote:

**AYE: Board Member Mark Nelson
AYE: Board Member Luke Searle via Zoom
AYE: Board Member Spencer Park via Zoom
AYE: Board Member Kendall Crittenden
AYE: Board Member Eric Rowland
AYE: Board Member Karl McMillan**

NAY: None.

The meeting concluded at 7:00 p.m.

MARK NELSON/ BOARD CHAIR