

**MINUTES OF THE WASATCH COUNTY COUNCIL
ACTING AS
THE GOVERNING BOARD OF THE TWIN CREEKS
SPECIAL SERVICE DISTRICT
NOVEMBER 12, 2024**

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

STAFF: Max Covey, the General Manager
Kierstan Smith, CPA
Theresa Baronek, District Treasurer
Shari Coleman, Accounting Clerk
Wade Webster, Keetley Water Treatment Plant Manager
Doug Scow, Water Rights Manager
David Fuller, Project Manager
Dana Kohler, Administrative Assistant

Board Chair Karl McMillan called the meeting to order at 5:31 p.m. on Tuesday November 12, 2024. The record should show that all the Governing Board of the Twin Creeks Special Service District are present with Board Member Spencer Park via Zoom. The record should also show that Board Member Mark Nelson has joined the Governing Board of the Twin Creeks Special Service District. The record should also show that the Governing Board of the Twin Creeks Special Service District is meeting in the Wasatch County Council Chambers in the Wasatch County Administration Building located at 25 North Main, Heber City, Utah 8032,

REGULAR SESSION

APPROVAL OF THE MINUTES FOR OCTOBER 8, 2024.

Board Member Kendall Crittenden made a motion to approve the minutes for October 8, 8032 as written. Board Member Luke Searle seconded the motion. The motion carries with the following vote:

**AYE: Board Chair Karl McMillan
AYE: Board Member Luke Searle**

**AYE: Board Member Kendall Crittenden
AYE: Board Member Steve Farrell
AYE: Board Member Erik Rowland
AYE: Board Member Mark Nelson
AYE: Board Member Spencer Park via Zoom**

NAY: None.

WARRANT LIST APPROVAL

Board Member Steve Farrell made a motion to approve the warrant list in the amount of \$857,979.67, Board Member Luke Searle seconded the motion, and the motion carries with the following vote:

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

NAY: None.

QUARTERLY FINANCIAL REPORT AND PRELIMINARY BUDGET/SET PUBLIC HEARING FOR BUDGET.

Kierstan Smith, CPA, presented a power point presentation and then addressed the Governing Board of the Twin Creeks Special Service District and indicated that the total revenues are \$5,813,858.24 and the total expenses are \$2,580,692.85. The restricted cash and cash equivalents are \$13,085,393.64. Kierstan Smith via Zoom then went through September 2024 Quarterly Financial Review Highlights. Kierstan Smith then went through the amended budget for 2024. Interest revenue of course is running higher than last year. The operation is running under budget. The appreciation expense we also are expecting to come in higher than was initially budgeted for. We have big dollar amounts for capital outlay. We are projecting our proposed amended budget for 2024 to include those additional revenues. The expenses for 2024 are going to stay and really do not change. The proposed budget for 2025 we have rate increases that have been already approved in our rate studies that have been done and they have been figured in. The proposed budget for 2025 is \$5,175,900.00.

Max Covey replied that one thing is that we have never planned on the Red Ledges sewer being permanently discharged through Twin Creeks into Heber City. We are paying the flow charges for their sewer. We pay \$40,000 a year to run the Red Ledges sewer through Heber City to treat it through Heber Valley SSD.

Board Member Erik Rowland made a motion that we accept the quarterly financial budget and the preliminary budget and set a public hearing for December 10, 2024, at 6:00 p.m. Board Member Steve Farrell seconded the motion, and the motion carried out with the following vote:

**AYE: Board Chair Karl McMillan
AYE: Board Member Luke Searle
AYE; Board Member Kendall Crittenden
AYE: Board Member Spencer Park via Zoom
AYE; Board Member Steve Farrell
AYE: Board Member Erik Rowland
AYE: Board Member Mark nelson**

NAY: None.

GENERAL MANAGER'S REPORT

Max Covey, the General Manager, addressed the Governing Board of the Twin Creeks Special Service District and indicated that we can talk a little bit more about SITLA /Christensen, Red Ledges which is a big issue that we are dealing with down there. We had a couple of meetings with them and expressed our concerns not only with the water that they would ask to be wheeled by them. One of the biggest issues I think they have is sewer and our pipelines and our infrastructure are not sized to be able to accept three to five thousand ERU's or whatever they have. We really have not put much time and effort into that because it does no good if where it is going cannot accept it. If Heber City can accept the sewer, then come to Twin Creeks and we can put in all the hours necessary to understand what would have to happen to our pipelines and infrastructure to even be able to accept it. We did not plan on this and everything would need to be upsized and changed. The time is the big issue and there is not much time left to look into this matter. When the time is right, we will pull the trigger on that and complete that study to see if we can accept that sewer through our system and what would have to happen to be able to do so. That is the same on the water end and everything regarding water would have to be significantly upsized. To date we have not seen the water they have to take care of this. Also I have brought up these concerns to Heber City Engineering and Heber City Manager trying to work with them closely and answer any questions that they may have but at this point I really feel like that we are waiting for other entities to opine on what their situation is before we really engage in and understand what is being asked of us and giving them some hard numbers and projects that would have to happen.

Max Covey indicated that with Red Ledges in 2012 we have a Development Agreement with Red Ledges and in that agreement, it outlines the Red Ledges would build the infrastructure necessary to convey their sewer from Red Ledges to the Jordanelle Treatment Plant, the water reclamation facility. The day that was supposed to be done came and passed. We entered into an agreement in 2019 and outlined some key dates to establish when this infrastructure would be

complete, and this was during the COVID era. That date came and passed and there is still some infrastructure needed to be completed to get that conveyed to JSSD. There were a couple of projects that they completed and upsized a line out there on Highway 32 and old forty. They did that a couple of years ago as well and staff and installed some gravity sewer line down to Coyote to the near development the Jordanelle Ridge Village Two. There is some infrastructure missing in between these including a lift station that would be built on the Highlands property and a pipeline to push that to Highway 32. Also, two sewer lift stations are located within Red Ledges on site and take it from the bottom and push it up over the hill and convey.

There is a new group, and we have been working with them to get them up to speed on some of these agreements. They have wanted to see if they can continue the temporary discharge of their sewer to Twin Creeks through Heber City to Heber Valley SSD and do not know if they could accept that additional flow. The biggest thing that affects it and it is not the Twin Creeks area, but it is North Village. Everything in North Village is going to the JSSD Water Reclamation.

Board Member Erik Rowland replied that the 2012 agreement clearly states that and how much do we want to aggressively go after honoring that agreement or something else. Max Covey replied that it is my opinion that the agreement is clear to install the necessary infrastructure to get there. You always want to have gravity flow and not pump and pump and pump. The agreement is clear that infrastructure is to be constructed and built by the developer. Red Ledges did participate in around two million dollars of prepaid impact fees, wastewater impact fees to build the plant.

Board Member Erik Rowland indicated that this was brought numerous times to the Heber City Council back in around 2014 and 2016 just asking them for status updates. There was always a request for delay but to postpone the deadline and I do not feel there is any question that there is an understanding that they are supposed to this.

Kendall Crittenden replied that in the past this goes back in a way in which we withheld any further approval until they caught up with their agreement. Max Covey indicated that what Board Member Kendall has just said is right where we are at concerning this matter. The first amendment to the development agreement was given by them until 2023 to complete this infrastructure. We would really like you to send them a letter that defines and lets them know that they are in breach of that first amendment to the development agreement and outline what our opinion is or how we interpret that development agreement. Board Member Erik Rowland replied that we need to hold them to this agreement. Max Covey replied that it would be my recommendation that there are enough negative impacts on the service district and clump them altogether and would like them to uphold their obligations to the 2012 Development Agreement and continue forward with that.

Board Member Steve Farrell replied that Heber City should come out and take a stand on this. Also, what would be the estimated cost that would take to finish the project? Max Covey replied there are three sewer lift stations that need to be constructed and those would be \$3.5 million each and then there is a forced main from that area to Highway 32 and the estimate will be \$12-15 million so it is substantial. We have been planning on 1200 ERU's worth of capacity and treatment and conveyance and they would need to participate in something out there financially

if they went through Heber City or through Twin Creeks and to Heber Valley long term. There are still some obligations for them to participate in some infrastructure. Board Member Steve Farrell indicated that HVSSD has no more capacity. Max Covey indicated that we need to get some of these entities together and see where we are at concerning this matter and talk about this as a group to produce solutions. This infrastructure was supposed to be completed in 2016 and in 2019 we amended the agreement and now we are looking at doing it again. I would suggest that we send them a letter stating that they are in breach and here is our interpretation of the Development Agreement and feel it is your obligation to do this and at least get that on record. We need to put the pressure on them a little bit to at least keep these conversations moving forward in a positive way.

Kendall Crittenden replied that we need to turn up the heat on this because this is a pattern of this development, and we have made seven to eight extensions on the road they were supposed to build. Mayor Heidi Franco Heber indicated that if things are not done, we could withhold and not approve their building permits.

Max Covey replied that we have a final walk through on Jones Reservoir on Thursday and that the project will be complete. We still are working on Lindsay Reservoir running into a lot of water, dewatering and cold weather and so we are pushing real hard to get that project done. Other than those things in the Twin Creek area are good.

OTHER BUSINESS

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

Board Chair Karl McMillan indicated that the time is now 6:00 p.m. which is time for the Public Hearing to be heard.

PUBLIC HEARING NOVEMBER 12, 2024

ITEM 1 2024 WATER RESERVATION FEE ANALYSIS RESOLUTION #2024-03.

Board Chair Karl McMillan then opened the Public Hearing up for public comment and there was none.

Motion:

Board Member Erik Rowland made a motion to approve the 2024 Water Reservation Fee Analysis Resolution #2024-03. for Twin Creeks Special Service District. Steve Farrell seconded the motion, and the motion carries with the following vote:

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

NAY: None.

ADJOURNMENT

Board Member Kendall Crittenden made a motion to adjourn. Board Member Mark Nelson seconded the motion, and the motion carried out with the following vote:

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

NAY: None.

Meeting adjourned at 6: 28 p.m.

KARL MCMILLAN/BOARD CHAIR