ELK MEADOWS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE CONTROL BOARD
AUGUST 22, 2025
COUNTY COMMISSION CONFERENCE ROOM

MINUTES

Members Present – Dee Draney; Chairman, Phil Emerson; Member, Scott Chamberlain; Member, Shane Gadbaw; Member, Wade Hollingshead; Member,

Electronic Participation – Gaye Christiansen; Member,

Members Absent – Paul Burgon; Member

Officers Present – Brandon Jensen; District Manager, Brady Derbidge; Assistant District Manager, Leo Kanell; District Attorney Heidi Eyre District Secretary, David White; District Treasurer,

Electronic Participation – None

Officers Absent – None

Audience – Kallie Goff

9:00 a.m.

Call to Order – Dee Draney called the meeting to order at 9:00 a.m.

Review and Approve June 23, 2025, Minutes. The board reviewed the June 23, 2025, minutes for approval and corrections if necessary.

David asked for clarification on the motion that was made last meeting on lots 6C and 7C. The motion stated that they would continue to pay road fees, but Shane has objected to that. Shane gave a brief history of the lots and referred to a letter he had received from Beaver County Building Department stating that the lots were deemed to be unbuildable.

Motion - Phil made a motion to exclude lots 6C and 7C excluding them as non-buildable, including the road fees. Gaye Christiansen seconded. All approved without objection. Shane abstained from voting.

Motion – Phil Emerson made the motion to approve the minutes Shane Gadbaw seconded. All approved without objection.

The approved minutes will be posted to the Utah Public Notice Website at www.pmn.utah.gov

Review and Approve Monthly bills and Accounts Payable – David presented the financial reports, including bills paid since the last meeting and the current accounts payable for approval.

David reported that he is preparing a list of the properties to be leaned for non-payment of the quarterly dues to the county.

Davd presented a copy of the audit completed by Kimball and Roberts, CPAs of Richfield. The main statement is they have found the accompanying financial statements present fairly in all material respects the respective financial position of the business activities of Elk Meadows Special Service District.

The Board discussed the financials and the bills that have been paid. Following the discussion, a motion was made and approved to accept the financial report.

Motion - Phil Emerson made the motion to approve the financial reports, bills paid and the accounts payable. Shane Gadbaw seconded. All approved without objection.

Water Right Update – Leo provided an update on the water rights acquisition. He explained that EMSSD had been under contract to purchase 30 shares of Rocky Ford Irrigation Company. However, negotiations became protracted when the Rocky Ford attorney failed to provide a proposal as expected, reportedly due to personal circumstances. This left EMSSD in a position where it would either need the company to sign the change application upon acquisition of the water, or else pursue litigation if the approval was withheld.

To fund the purchase, $30,000 had been provided by Elk Meadows Special Service District and an additional $30,000 by Bowman Asset Management. After several years of delays, the value of the water increased, and the sellers hesitated to follow through on the contract. Ultimately, Leo was able to negotiate the purchase of 15 shares of Rocky Ford Irrigation Company for $50,000, which has now been paid and secured.

Leo stated that he discussed the matter with David, and both agreed it would be more appropriate for Elk Meadows alone to own the shares. To that end, Bowman Asset Management should be reimbursed for their $30,000 contribution. Leo confirmed he still holds $10,000 in his trust account that can be returned immediately. David indicated that he could arrange for the remaining $20,000, allowing Elk Meadows to fully own the shares without ongoing involvement from Bowman Asset Management.

The Board discussed the matter, and a motion was made and approved to reimburse Bowman Asset Management the $30,000 contributed toward the original purchase, with Elk Meadows retaining full ownership of the 15 shares.

Motion – Phil made a motion that EMSSD pay Shane $20,000.00 and Leo pay $10,000.00 being held in trust to Bowman Asset Management. Scott seconded. All approved without objection. Shane abstained from voting.

Request to Relocate Water Main – Dee opened discussion regarding a request from Shane/Bowman Asset Management to relocate the existing water main. Dee explained that he had researched the issue and noted that the water line, currently located within a prescriptive easement, has been in place for many years. Dee clarified that Shane was requesting the EMSSDs cooperation in supplying pipe for the relocation, while Shane and his team would provide engineering, excavation, demolition of the existing line, and installation of the new line in accordance with current standards. Shane confirmed this understanding but emphasized that he was not formally acknowledging a prescriptive easement.

Dee stated that EMSSD does not believe relocation is necessary at this time, as the line remains functional, and that such a project is not an urgent benefit to EMSSD. He further noted that the EMSSD funds must be prioritized for system-wide water needs, maintenance, and emergencies. Dee also stressed that EMSSD cannot enter contracts with developers, including Board members, as doing so would set a precedent that could create complications with other developments. Developers are expected to obtain will-serve letters through Leo and follow established procedures.

Shane stated that he would return with a cost estimate before seeking further action. He also noted that the existing water main is approximately 45 years old and serves the entire community, making it a critical piece of infrastructure. He acknowledged that it is currently functioning well, but expressed concern about the difficulty of repair should the pipe fail, particularly in the winter months. Shane also highlighted his prior contributions to EMSSD including donating the land for the water storage tank and the triple chair spring.

Scott Chamberlain asked for clarification on when responsibility for replacement would shift to the EMSSD, noting the risk of failure. Dee responded that if the line were failing, the EMSSD would be responsible, but reiterated that at present it remains in good condition. Brandon confirmed that the pipe, installed in ductile iron, has held up well over time and has not experienced significant maintenance issues. Brandon stated that EMSSD would be in a bad place if any of those water lines go down.

Wade asked Shane to clarify the basis of his request. Shane explained that the water main currently runs through the most desirable portion of his planned subdivision, located along a ski run. He stated that relocation would not only improve the attractiveness of his development but also provide a long-term benefit to EMSSD by addressing the fact that it is a 45-year-old line and the main line to an entire community. He suggested that contributing the labor and installation could be viewed as a shared opportunity, even though the line is still operational.

Leo emphasized the importance of consistency in handling such requests, noting that any decision must align with procedures applied to all developers. He cautioned that while the existing line remains in good condition, any relocation must ensure that a proper easement is secured along with guaranteed access for future maintenance. He acknowledged that many of Shane's points were valid but stressed that the ultimate decision rests with the Board.

Dee stated that the EMSSD would have more clarity once cost estimates for materials were provided the following week. Leo added that the proposed relocation also presented an opportunity to upgrade the line from eight inches to ten inches, though he noted that such an upgrade would be a significant expense.

Wade then asked who would be responsible if the line were to fail immediately. Dee responded that EMSSD would bear responsibility for repairs in that circumstance.

The board reviewed a map of the water line and subdivision. The map shows existing line currently goes through the property. Wade asked how EMSSD would access it if it breaks. Brandon replied that is the reason Shane wants it moved.

Shane concluded by thanking the Board for their consideration and reiterated that he would return with an estimate before pursuing the matter further.

Project Update – Brandon reported that Rollins has completed their work, with only final paperwork remaining before the project is officially closed.

Regarding the Tushar project, Brandon stated that work is down to the punch list items. A substantial completion form has been prepared, and a walkthrough is scheduled for the 28th to confirm that the punch list items have been addressed and to identify any remaining concerns. Following that, the project will move into the final paperwork stage.

Brandon noted that both projects are very near completion.

SCADA Update - Brandon reported that the SCADA system is now partially operational, with tank levels accessible remotely from his shop rather than requiring frequent trips to the tanks. He noted that calibration and fine-tuning are still in progress, and he continues to verify readings on site to ensure accuracy. The technician advised that full calibration may take several months to complete.

A cell booster was installed at the Puffer station to enable signal transmission and integration with the overall system. With that addition, the system is expected to be fully operational within the next week, followed by ongoing fine-tuning.

Brandon remarked on the progress, stating that it is impressive to see the generators and related equipment online. He noted that the generator is substantial in size and has historically accounted for most of the operational challenges whenever power outages occur.

Spring Development- Leo asked for an update on the Puffer Spring development. Brandon responded that it is on hold until the project is completed. Brandon reported that work is underway to re-fence the middle spring at Puffer. In addition, a fence and gate are being installed at the entrance to the pump house area to restrict public access. While the entire property will not be fenced, this measure will secure the only accessible entry point.

Brandon reported that the Forest Service Spring is failing. Brandon reviewed the work that would need to be done to develop the spring. The board discussed options for improving this spring.

Phil stated that he has a continuing objection to making the final payment to either Tushar or Sunrise until the issue with the water line that was discussed at length last meeting is resolved. The board discussed this issue Brandon used the tracer to identify where the lines are currently. Phil stated that he will reach out to Devin today after the meeting and get him the photographs of the lines marked with the tracer.

Water System Status – Brandon reported that the water system is in great shape. It is hard to get an accurate reading due to the SCADA installation. Eventually the pumps will run at what the springs can put out, instead of pulling it dry and then shutting off.

Bulk Water Use - Brandon reported that he has purchased a hydrant meter for contractor use when drawing water from District fire hydrants. He stated that use of the hydrants must now go through this meter and suggested that the Board establish a fee schedule for bulk water sales.

Brandon noted that most cities charge approximately $5 per thousand gallons for hydrant use, though rates vary depending on the water system. He recommended that the District consider setting its rate at the higher end of the scale, as water is not readily available from other sources. He emphasized that pumping water incurs costs, and additional wear occurs on District equipment, such as PRVs, when hydrants are used.

The Board agreed that a fee structure will need to be adopted for hydrant meter use.

Water Meters - Brandon reported that he has made progress on the water meter project and plans to place the next order on Tuesday. He explained that many cabin owners have not yet responded to the letter sent with the last billing cycle. To address this, he intends to order a quantity of unprogrammed meters. These will require additional effort, as he will need to complete the programming after installation due to limited access to some properties.

David emphasized the need to ensure that the invoice for the meters is submitted to Sunrise for reimbursement. Dee directed that the invoice be sent to Robert, Kyler, and Devin.

Roads – Brandon reported that he has been grading roads however, due to extremely dry conditions, the effort has primarily stirred up dust rather than improved the road surface.

David asked for an update on the potential purchase of a water truck, as discussed at the previous meeting. Brandon reported that the truck he had previously identified was found to be leaking. He has since looked at other options, though most available trucks are either in poor condition or priced around $150,000. The board discussed other possibilities such as renting a water truck. No action was taken at this time.

Equipment status – Brandon reported that all of the equipment is in good shape, except for the snow blower. It will be repaired before it snows.

Fire Department Update – Scott reported that there is nothing new to report. Everything is dry.

Water Right Update – Leo reported now that EMSSD has successfully acquired Rocky Ford water shares, he has been working with the State Water Rights Department to file a change application. The application seeks to consolidate all District-owned water rights into the three springs currently in use and to remove the provision requiring summer storage with winter release.

Leo noted that the initial draft application did not include the Kent's Lake water rights. He explained that these rights are complicated, as they were first established when the Mount Holly Ski Resort was developed in the 1970s. The rulings from that period were not issued as memorandum opinions, which has complicated the process. He emphasized the importance of including Kent's Lake rights in the application so that EMSSD can fully prove up on all water rights.

He further explained that each of the old rulings included storage and release requirements that must be removed to finalize EMSSD claims. The State's preparer is currently working on revising the application, and Leo continues to coordinate closely to ensure all rights are properly included.

Leo also reported that he has been working with Beaver City's attorney, who will meet with the Beaver City Council on Tuesday evening. The goal is to secure their cooperation and avoid a protest to the EMSSD change application. He cautioned that protests from other parties may still occur, which could require hearings, but emphasized that EMSSD is making progress and moving forward in the process.

Change Application and Will-Serve Letters - Leo stated that, when the water rights change application is ready, he plans to sign it on behalf of EMSSD to avoid delays. He asked the Board to confirm their approval for him to do so, explaining that this has been his practice in the past.

Leo also discussed the preparation of will-serve letters, noting that he typically drafts and signs them without bringing each one before the Board, since they often involve lot owners within established subdivisions where EMSSD already provides service. He explained that two current requests warranted review with the Board due to their unique circumstances.

The first request concerned the Lance Churnos development. Leo explained that Mr. Churnoss owns five acre-feet of water rights, acquired from the original water transferred from the valley, and these rights are being held by EMSSD. This amount is likely sufficient to serve a 10-lot subdivision. However, the developer must secure the necessary easements and ensure delivery of water to the subdivision. Leo drafted a will-serve letter that acknowledges EMSSD is holding the required water rights and can serve the subdivision, subject to conditions. Brandon requested that the letter explicitly require the project to meet fire flow standards in addition to drinking water requirements, emphasizing the State law that mandates fire hydrants every 500 feet. He cautioned that if fire flow is inadequate, the system would not provide effective fire protection. Leo agreed to add this requirement to the letter.

The second request involved Shane's project. Leo explained that Shane is canceling a prior project and applying his water rights to this new subdivision. A draft will-serve letter has been prepared for this project, stipulating that water service will be provided contingent upon compliance with all subdivision requirements.

Leo concluded by stating that he will issue both will-serve letters with the appropriate conditions and revisions discussed.

Resort Update – Shane provided an update on the cell tower project. He reported that the archaeological review has been completed, and the report is now expected to be issued by September 5. The report was originally scheduled for early August, but additional time was required. The findings of the report will determine whether NEPA approval is granted.

Old Business - David presented a letter received from Sonny Jakowski, submitted with his payment. In the letter, Mr. Jakowski expressed dissatisfaction with road conditions, stating: *"Sure wish we would get some value or benefit from the cost. You should see the road condition. It isn't pretty. Complaining or commenting by those of us who expect better seems to fall on deaf ears."*

Brandon responded that he had recently spent several hours grading the road in front of Mr. Jakowski's property. However, due to the lack of moisture, grading is ineffective; without water, the work simply stirs up dust. He noted that while he has been able to make some improvements, meaningful long-term results will require both water and substantial quantities of road base.

Dee remarked that fees could be raised to cover such improvements. Brandon agreed, adding that if EMSSD had adequate funding, he would gladly arrange for truckloads of road base to be delivered and applied.

No formal action was taken on this matter.

David reported on several matters. He reminded the Board that at the last meeting he had presented a claim from Rocky Mountain Power for damages caused by EMSSD. The claim was submitted to EMSSDs insurance company, which has since paid it in full.

David also reported that a workers' compensation claim had been filed regarding Brandon's accident involving chlorine gas, and that claim has likewise been paid.

Finally, David presented a letter from the Forest Service advising that it will be performing boundary line posting between District property and National Forest System lands within Township 28. The project is scheduled to take place during the summer and fall of 2025. The work will involve installing aluminum posts within one foot of the straight line between established property corners, to visibly mark the boundary for resource management purposes. The Forest Service requested that EMSSD sign a cooperation document related to the project.

A motion was made and approved authorizing Dee to sign the survey marker cooperation document on behalf of the EMSSD.

Motion – Wade made a motion authorzing Dee to sign the Survey Marker Cooperatio document on behalf of EMSSD. Phil seconded the motion. All approved without objection.

Motion – Scott Chamberlain made a motion to adjourn.

The next EMSSD meeting will be held on Friday, September 26, 2025, at 9:00 a.m. in the Beaver County Commission Chambers.