

**MINUTES OF THE
GOVERNING BOARD OF THE
STRAWBERRY LAKEVIEW SPECIAL SERVICE DISTRICT
FEBRUARY 4, 2016**

PRESENT: Board Member Kendall Crittenden
Board Chair Greg McPhie
Board Member Kipp Bangerter
Board Member Mike Petersen
Board Member Danny Goode
Board Member Steve Farrell

EXCUSED: Board Member Mike Kohler

OTHERS PRESENT: On list attached to a supplemental file

STAFF: Rick Tatton, doing minutes
Kierstan Smith, Financial Officer
Theresa Baronek, Secretary
Ron Phillips, General Manager
Lee Kapaloski, Attorney

Board Chair Greg McPhie called the meeting to order and welcomed those present and excused Board Member Mike Kohler and then called the first agenda item.

APPROVAL OF THE MINUTES OF JANUARY 7, 2016

Board Member Steve Farrell made a motion to approve the minutes of January 7, 2016 as written. Board Member Kipp Bangerter seconded the motion and the motion carries with the following vote:

**AYE: Board Member Steve Farrell
AYE: Board Member Kipp Bangerter
AYE: Board Member Mike Petersen
AYE: Board Member Danny Goode
AYE: Board Chair Greg McPhie
AYE: Board Member Kendall Crittenden**

NAY: None.

WARRANT LIST APPROVAL

Board Member Crittenden made a motion to accept the warrants as presented. Board Member Kipp Bangerter seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Greg McPhie
AYE: Board Member Kipp Bangerter
AYE: Board Member Mike Petersen
AYE: Board Member Danny Goode
AYE: Board Member Steve Farrell
AYE: Board Member Kendall Crittenden**

NAY: None.

SELECTION OF FINANCIAL ADVISOR

Board Member Mike Petersen made a motion that we go with Zion's Public Finance as the Financial Advisor for Strawberry Lakeview Special Service District. Board Member Steve Farrell seconded the motion and the motion carries with the following vote:

**AYE: Board Member Kendall Crittenden
AYE: Board Chair Greg McPhie
AYE: Board Member Steve Farrell
AYE: Board Member Mike Petersen
AYE: Board Member Kipp Bangerter**

ABSTAIN: Board Member Danny Goode

STRAWBERRY COVE ANNEXATION

Board Chair McPhie indicated that there are no changes regarding this matter as in Strawberry Ranch Special Service District. Ron Phillips, the General Manager, indicated that there is only one owner and has a process that is less time consuming than if there were multiple property owners. Also the proposed plat is within the annexation boundaries.

Board Member Farrell made a motion that we go ahead and annex Strawberry Cove into the Strawberry Lakeview Special Service District as proposed. Board Member. Board Member Bangerter seconded the motion and the motion carries with the following vote:

**AYE: Board Member Bangerter
AYE: Board Member Petersen
AYE: Board Member Farrell**

AYE: Board Member Crittenden

AYE: Board Chair McPhie

NAY: Board Member Goode

STRAWBERRY LAKEVIEW RATE STUDY

Ron Phillips, the General Manager, addressed the Strawberry Lakeview Special Service District Governing Board and indicated that Bowen Collins & Associated have completed a draft of the Strawberry Lakeview Sewer rate study and there are copies in each of your packets. What is being proposed tonight is that Keith Larsen from Bowen Collins present the information to you and answer any questions and then public notice will be given as required and then there will be action on this matter in March.

Keith Larsen, from Bowen Collins & Associated, addressed the Strawberry Lakeview Special Service Governing Board and indicated that the O&M costs are more than they have historically been. Also the district has been running a deficit for the last several years. Also the current deficit is one hundred and twenty-five thousand dollars that this district is in arrears essentially. Mr. Larsen also indicated that the proposal of this study is to use the next ten years to pay back the amount of money that is in arrears and get the district back to the point where they have a recommended six months operation and maintenance funds in reserve for the district. Mr. Larsen indicated that in order to get the district paying back the amount owed to where the district is self sustaining and paying the amount back is a hundred and ninety-five percent increase so essentially the rates would be tripled and then from there inflation would just need to be tracked until the year 2025 and then actually drop back down to just the cost of operating the district.

Mr. Larsen also indicated that there will be a sixteen dollar charge for everyone who is connected and a charge of ten dollars for those that are not connected which is a standby cost for running the district and these are dollars per month. That would jump to \$48.84 and \$22.00 for the standby and then from there would slowly increase as shown. Also Strawberry Lakeview Special Service District is the cheapest of any of the rates that were surveyed. Also if the recommended increase is implemented that will jump up one of the most expensive one up with American Fork and Park City which will be sustained until the district gets paid back and then actually the amount will drop to around \$40.00 which puts it a little bit on the upper side but still kind of the middle of the pack.

Board Member Farrell indicated that we are talking about a recreational subdivision with seasonal use and that is being compared to Lehi City, American Fork, etc. Back in 2013 when the district took it over there was no deficit. Board Member Farrell also asked if the operating costs are that far out of line. Board Chair McPhie indicated that as statements were filled out for the State Auditor the recommended path to follow from the State Auditor is the direction that has been presented to correct the problem.

Board Member Farrell asked if a break down of what is included in the overhead and management which is the biggest increase if that would be provided.

Board Chair McPhie indicated that the matter will be taken under advisement and the matter will be put on the agenda for March, 2016.

Ron Phillips, the General Manager, indicated that unfortunately the districts are having to deal with a lot of painful financial issues that have not been dealt with in recent years and there is going to be another financial matter on the Jordanelle Special Service District agenda as well. As a result presently we are trying to get the district to where they can be financially viable and that is why these matters are being brought before the various governing boards.

MANAGER'S REPORT.

Ron Phillips, the General Manager, indicated that he has nothing further.

Board Member Bangerter made a motion to adjourn the Strawberry Lakeview Special Service District Governing Board. Board Member Crittenden seconded the motion and the motion carries with the following vote:

**AYE: Board Member Danny Goode
AYE: Board Member Mike Petersen
AYE: Board Member Steve Farrell
AYE: Board Member Kendall Crittenden
AYE: Board Chair Greg McPhie
AYE: Board Member Kipp Bangerter**

NAY: None.

GREG MCPHIE/BOARD CHAIR