

MINUTES OF THE WASATCH COUNTY COUNCIL
ACTING AS THE GOVERNING BOARD OF THE
TWIN CREEKS SPECIAL SERVICE DISTRICT
APRIL 10, 2018

PRESENT: Board Chair Mike Petersen
Board Member Spencer Park
Board Member Steve Farrell
Board Member Danny Goode
Board Member Mark Nelson

EXCUSED: Board Member Kendall Crittenden
Board Member Greg McPhie

OTHERS PRESENT: On list attached to a supplemental file

STAFF: Theresa Baronek, Treasurer
Eliza McGaha, District Clerk
Kierstan Smith, Financial Clerk
Dana Phillips, Accounting Clerk
Ron Phillips, General Manager
Max Covey, Assistant General Manager
Wade Webster, Treatment Plant Manager
Rob Hughes, Attorney
Rick Tatton, Doing Minutes

Board Chair Mike Petersen called the meeting to order at 4:47 p.m. and excused Board Member Kendall Crittenden and Board Member Greg McPhie and welcomed those present and then called the first agenda item.

REGULAR SESSION

APPROVAL OF THE MINUTES FOR MARCH 1, 2018

Board Member Spencer Park made a motion that we approve the minutes for March 1, 2018 as written. Board Member Danny Goode seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode

NAY: None.

ABSTAIN: Board Member Mark Nelson (absent)

WARRANT LIST APPROVAL

Board Member Mark Nelson made a motion to approve the warrants in the amount of \$123,600.32. Board Member Danny Goode seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode
AYE: Board Member Mark Nelson

NAY: None.

WATKINS PROPERTY ANNEXATION PETITION

Ron Phillips, the General Manager, addressed the Governing Board of the Twin Creeks Special Service District and indicated that he received the first letter proposing the annexation of the Watkins property on February 21, 2018. He then responded with a very detailed letter the next day asking some questions. Also, this property is within the service area of the Center Creek Culinary Water Company and needed a response from them which has not been received indicating that the Center Creek Culinary Water Company did not oppose the annexation.

Ron Phillips then indicated that he sent a letter by Certified Mail to the President and Secretary of the Center Creek Culinary Water Company requesting a response and also received the return receipt. So as of March 29, the Twin Creeks Special Service District has not received a letter from the Center Creek Culinary Water Company. The letter also indicated that if a response is not received from the Center Creek Culinary Water Company by April 1, that the Twin Creeks Special Service will assume that the Center Creek Culinary Water Company had no objection to the proposed annexation.

Ron Phillips then indicated that a letter was finally received and that letter indicated that the Center Creek Culinary Water Company do oppose the Watkins annexation. Also, we have been trying to contact them the last two days to see if they oppose annexation or sewer service and haven't heard back. A former Center Creek Culinary Water Company President contacted me and indicated that all of Center Creek should be annexed for sewer purposes. Ron also indicated that they have prepared a resolution that we would ask you to adopt and the resolution states that the property is being annexed for sewer purposes only, the Watkins property.

Ron Phillips then indicated that his recommendation would be that you approve this petition for annexation as stated in the Resolution that it is for sewer purposes only. Ron also indicated that Max Covey, the Assistant General Manager, has been trying to contact Craig Sweat and as of today has not received a response. Also, we need to be as responsive as we can be. Also, the Center Creek Culinary Board is having a meeting tonight to discuss the matter.

Rob Hughes, attorney for Twin Creeks, addressed the Governing Board of the Twin Creeks Special Service District and indicated that you are not

under any obligation to approve the annexation. Also, there is a provision in the Code that says that an area can't be annexed if it is being served by another municipality or by another District unless they approve. It doesn't t apply to private water companies. Twin Creeks has real broad discretion to do what you would like to do in this instance.

Board Member Steve Farrell indicated that Twin Creeks should wait until after this meeting tonight and then try to set up a meeting with them and explain the ramifications what is being looked at and hold off on the sewer also until there is an understanding on the water issue. Board Member Steve Farrell made a motion that this agenda item be tabled until more information is obtained and re-address this matter in the month of May. Board Member Spencer Park seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode
AYE: Board Member Mark Nelson

NAY: None.

The record should have indicated that Board Member Mark Nelson left for another appointment.

AMENDMENT TO THE RED LEDGES DEVELOPMENT AGREEMENT

Ron Phillips, the General Manager, addressed the Governing Board of the Twin Creeks Special Service District and indicated that the Red Ledges sewer issue was discussed at the August, September and October 2017 meetings. Direction to staff was that the sewer improvements necessary to bring the Red Ledges sewer to the Jordanelle Special Service District Water Reclamation Facility should be constructed by Red Ledges as required in the 2012 development agreement. The amendment to the development agreement approved at the March meeting which gives Red Ledges until December 31, 2019 to construct those improvements, extending the 2016 date in the current agreement. Ron indicated that Todd Cates, the Red Ledges CFO, is questioning the provisions of the amendment and has requested that this item be placed on tonight s agenda so that the Governing Board of the Twin Creeks Special Service District and hear his concerns.

Todd Cates, the CFO of Red Ledges, addressed the Governing Board of the Twin Creeks Special Service District and indicated that the District talked to Red Ledges about an option of possibly going through the Heber Valley Special Service District with the Red Ledges sewer. We looked at that proposal if it made sense and if that proposal would work for the District and Red Ledges. As a result, the Heber Valley Special Service District was not open to that proposal.

Todd then indicated that the reason he is here tonight is to talk to the Governing Board of the Twin Creeks Special Service District the option of

allowing Red Ledges and staff from the district to go forward and look at all the other different options that may be available at this point and time. Also, an option is with Wasatch Commons because they are in the process of expanding their development and possibly Red Ledges could join with them with regard to the sewer. Todd indicated that in his opinion at this point there are three options available to Red Ledges. (1) Heber Valley plant, (2) the original option under the 2012 Agreement and (3) Wasatch Commons. Todd then indicated that he would like to have some more time to look into those three options because in his opinion Red Ledges were shut out of the process and haven't been able to meet with any engineers concerning the options.

Todd also indicated that right from the beginning we have tried to be good neighbors and partners to Heber City and to Wasatch County through various donations such as a recreation center, etc.

Board Chair Mike Petersen indicated that the Twin Creeks board voted last month to stick with the original option under the 2012 Agreement and extend that to December 2019 and now you are asking for time to meet with staff and visit with Wasatch Commons. Todd Cates also indicated that there has been some discussion about up-sizing the existing sewer line.

Ron Phillips, the General Manager, indicated that there are two options. One to move with the original proposal and two moves to the Wasatch Commons, which in my opinion doesn't need further study because there has been extensive study of the options so further study isn't going to come up with anything else.

Tracy Taylor, Wasatch County resident, addressed the Governing Board of the Twin Creeks Special Service District and indicated that she has ever heard of a developer coming back after the fact to re-negotiate utilities and shop around as to what the options are. Board Member Steve Farrell indicated that he can't think of a case like this. Also, in Todd Cates defense one of the managers with JSSD was proposing that we would look into this matter which was prior to Ron Phillips. Also, there is another issue here which refers to re-use of water.

Todd Cates indicated that all Red Ledges is asking for a little more time to look into these various options and receive some more information. If that doesn't work out we are fine and Red Ledges will come back and put the sewer line in and live up to that agreement but would like some more time for further study.

Board Chair Mike Petersen indicated that since the entire Governing Board of the Twin Creeks Special Service District is not present that there would be any damage done in giving an additional thirty days to discuss option one and two. Right now, the Chair doesn't see how option number two is going to work but will not extend the date past December 31, 2019 for the improvements to be taken care of. This will give Red Ledges a chance to come talk to the present board members and hear Red Ledges side and get feedback from the Governing Board of the Twin Creeks Special Service District.

PRE-AUDIT AND FIRST QUARTER FINANCIAL REPORT

Kierstan Smith, the Financial Clerk, addressed the Governing Board of the Twin Creeks Special Service District and indicated that the cash flow for year to date is \$6,977,726.00 which is a little bit higher than last year and the majority of that has to do with two things. One of course is the water reservation fees went up and O&M fee is higher. Overall Twin Creeks Special Service District is in great shape.

OTHER BUSINESS

Board Chair Mike Petersen indicated that as far as the meeting times of the various meetings like tonight there was a confusion because Fire and JSSD both were scheduled for 4:00 p.m. Board Member Steve Farrell they should be given thirty minutes a piece and JSSD to start at 4:30 p.m.

ADJOURNMENT

Board Member Danny Goode made a motion to adjourn. Board Member Spencer Park seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode

NAY: None.

Meeting adjourned at 5:40 p.m.

MIKE PETERSEN/BOARD