

**ELK MEADOWS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE CONTROL BOARD
March 26, 2021
COUNTY COMMISSION CONFERENCE ROOM**

APPROVED MINUTES

Members Present – Ron Torgerson; Member, Shane Gadbow; Member, Wade Hollingshead; Member, Phil Emerson; Member, Paul Burgon; Member

Electronic Participation – Dee Draney; Chairman, Gaye Christiansen; Member,

Members Absent – None

Officers Present –Jeremy Carroll; District Manager, David White; District Treasurer, Leo Kanell; District Attorney and Heidi Eyre District Secretary

Electronic Participation – None

Officers Absent – None

Audience – Marshall Cooper, Joseph Flannary,

9:00 a.m.

Call to Order – Paul Burgon called the meeting to order at 9:00 a.m. stating that a quorum is present.

Open Public Hearing –

Paul opened the Public Hearing by reading the notice - PUBLIC HEARING OF THE ADMINISTRATIVE CONTROL BOARD OF THE ELK MEADOWS SPECIAL SERVICE DISTRICT, UTAH REGARDING ITS INTENTION TO DESIGNATE THE WEST VILLAGE UNIT #1 SUBDIVISION ASSESSMENT AREA, TO FINANCE THE COSTS OF CERTAIN WATER SYSTEM IMPROVEMENTS IN THE WEST VILLAGE UNIT #1 SUBDIVISION, BEAVER COUNTY, UTAH, WITHIN THE ASSESSMENT AREA, AND TO LEVY A SPECIAL ASSESSMENT AND ALL RELATED MATTERS.

Paul welcomed the public to the meeting. Paul stated that he would summarize the existing proposal and then open the meeting for questions and/or comments. Paul reported that EMSSD is proposing to do a public water project to service the West Village area. This project will include all lots without a water connection in West Village. Paul stated that the reason EMSSD is doing this is to make sure there is water access to all lots. Water connection to the lots right now is very haphazard. Some lots have water and some don't. It can be very expensive for people individually to connect to water and there are many lots that simply don't have access.

Paul stated that there has been a fair amount of interest in providing an easier simpler and frankly less expensive way to connect to water. Paul stated that the best way is to leverage the advantage of a pseudo government agency which we are in order to obtain cheap financing in connecting a large number of lots at the same time. This also allows lot owners to finance their cost. If they desire they can finance the connections and pay for it over time. We access the states cheap financing at very attractive interest rates. Get the economies of scale and get the construction company to do all of this at the same time.

Paul stated that there has been one public hearing already. There was a good turn out to that meeting. There was a lot of good information and a lot of questions with good interest from the public. There is a public record of that meeting available to anyone who is interested. Paul stated that today we are doing a Public Hearing again to solicit comments and questions to our proposal.

Paul asked if there were any thoughts from board before open the meeting for question and answer. Dee asked if this would include Community Impact Board (CIB) funding through Five Counties. Leo responded that we hope to go to CIB and obtain financing from them. Leo stated that he has been studying to make sure we meet the requirements. The process requires you to be on a prioritization list with the County and Five County. Leo stated that he has been trying to make sure this project gets on the list. Once on the list EMSSD can apply to CIB and get the County Commission to go with us to that meeting. Hopefully we have a successful presentation. Dee stated that EMSSD is under the gun on our time frame to get this done. Leo responded that he agrees we have a short time frame to put this all together. Leo stated that he has hired an appraiser who was here last week to look at the property. The appraisal should be completed in 1-2 weeks. If the appraised value is sufficient we can proceed at that time. Dee stated that he wants to make it clear that EMSSD will be going to the CIB on this project.

Paul stated that he wants to make it part of the public record that every lot in the assessment area will be assessed for this project. This was brought up in the previous public meeting. Property owners can only opt out in very rare exceptions. The assessment area specifies that each lot in the area that is not currently connected to water is assessed the charge to connect. This is all part of the proposal EMSSD is making. David stated that if a certain percentage of property owners in the assessment area object the project will not go forward. Paul stated correct that if 40% of the property owners in the assessment area object it cannot pass. If less than 40% object it does pass. All of those who are in the assessment area will be assessed including those who filed an objection. David stated that the objection has to be in writing to the EMSSD board within 60 days from today. Phil stated that property owners will have the option of a payment plan. It can be financed for 15 years. Leo stated once the assessment is made that property owners can pay it all at once or finance and pay interest on it. Paul stated that it can be financed with the low interest that we get. Paul reported that a ruff estimated cost of project is 1.6 million. Paul stated that there is a timeline that we have to meet. Shane responded that the board needs to start getting estimates as soon as possible. A project this large could use more than one contractor. Leo stated that once we are ready to go forward the engineers will do full engineering of the project and they will run the bids. Shane responded that nothing can happen until the 60 day protest period is up. Leo stated that we cannot move forward until we get a satisfactory appraisal then we start moving forward. Shane stated that maybe we should assume it would be a fall project and not be under pressure. Dee responded that if we are going through CIB it will

be later in the year.

Leo stated that the critical path calendar was sent out. The bond attorneys will re-adjust that calendar and send it back out. Leo also stated that the timeline EMSSD will work towards is fall. Paul stated that we should expect that this could be a multi-year project. Shane responded that it could be a 2 month to 6 month project if we used 3 different contractors. Paul stated that in the best case scenario it is all done this year but it will more likely be fall of next year.

Dee stated that there is going to be a lot of activity on the road going up the mountain this summer. The Forest Service will be doing several projects. Shane responded that he is expecting the busiest summer ever.

Paul opened the meeting for public question and answer. Paul stated that anybody who has any questions, comments, or statements please announce their name and lot number.

Joe Flannery lot 153 - Joe stated that the board answered his question regarding how long the project would take. Joe asked if the project does take approximately 2 years what is the property owner's recourse if that doesn't happen and something breaks. Joe stated for example say that EMSSD is bringing water up the main road and his lot is not hooked up and something happens? Like a flood or something and breaks the pipe. What would be the property owner's recourse? Paul responded that the district is responsible for the maintenance of the main water pipe going up and down the road. That maintenance is paid for with fees paid by the entire mountain. EMSSD would repair a main water line break in front of his house. Jeremy stated that as soon as you connect that connection and anything going to your house is you the property owner's responsibility. Joe responded so if EMSSD brings it to the road and something goes wrong who is responsible. Phil responded that the service district is responsible.

Phil asked for any other questions from the public.

Leo stated that he spoke with owners of lot 121 the Blevins. They should be part of the assessment area. They have been paying the wrong fees we will need to straighten that out. They do not have water available right now. Leo stated that George Lee has filed a protest. Leo also stated that there are only 2 protest so far. The new notice includes 69 lots as part of the assessment area.

9:28 Paul Closed Public Hearing

Review and Approve February 26, 2021 Minutes. The board reviewed the February 26, 2021, minutes for approval and corrections if necessary.

Motion – Gaye Christiansen made the motion to approve the minutes. Shane Gadbow seconded. All approved without objection.

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

Update Snow Plow Agreement – Jeremy stated that he wants to modify the plow plan. He is having a problem with unfinished construction sites. He plows the snow but doesn't know where materials are. They are left unmarked and then he ends up hitting them with the plow and causing damage. Jeremy stated that with the amount of construction going on and the

expectation of people wanting snow removal EMSSD needs to make it clear we don't plow construction sites. They are moving material around every day. The biggest issue has been in Elk Meadows Estates and Snowflake parking lot. Jeremy stated that it just needs to be clear that open construction sites won't get plowed. Phil stated that snow plow plan could be updated to add one line regarding construction sites. Phil also stated that if owners have something in the parking lot it needs to be marked with a vertical marker. Jeremy responded that if they want their lots plowed they should not leave stuff in parking lots. Shane stated that EMSSD is not obligated in the first place. Shane also stated that EMSSD does not need to say anything in the plow agreement. Paul responded that if EMSSD is not obligated in the first place we don't need to change anything. Phil asked if we even need to amend it. Jeremy responded that he would just like to bring it to the attention of property owners so if someone calls saying he hit their building materials. Heidi stated that if Jeremy wants to put something together she can send it out to everyone on the email list. Jeremy responded that he would prepare it and send it to Heidi. Paul stated that over communication is a good policy.

Phil and Jeremy Valve Replacement – Jeremy stated that he has identified the first valves that need to be replaced. They are in the Village. They are the hardest to get to. They are located in the intersection by Four Seasons. There are 3 valves in intersection and only 1 works. Shane stated that intersection also needs some work on drainage. Jeremy responded that intersection would be the focus for valves this year. David stated that they need to bring this up again at a later time to make sure it gets added to the budget for next year.

Pinnacle Club Water System Refurbishment – Jeremy stated that he received two estimates back. One from Yardley and one from Tushar. Jeremy also stated that Scholzens let him know products are going up 20 percent by mid-April. Shane stated that he will be using Gene Henrie and will have a lot of road base available if they need it for these projects. Phil asked what needs to be done to move to secure at least the parts number. Paul responded that EMSSD would have to accept the bid but to accept it we would need to secure financing. Shane asked how much money is ear marked for this project. David responded that we have no money specifically ear marked for this. We have about \$200,000 that we could use Leo stated that after Phil paid all of the past dues there is about \$95,000 available. Paul asked when we expect the CIB financing to be approved. Leo responded that the next agenda item is the master plan which details the projects. If the board wants to pick projects that we want to work on the engineer has to do an estimate of the cost of projects. It is the same steps we are going through for the assessment area except this would be a revenue bond. Leo stated that we would have to see if we would need to raise fees. The revenue is the fees that we take in. The process would be to do a scope of the project, then engineering estimate, CIB financing and then go out for bids. EMSSD would pay for it out of revenues that come in. Paul stated that even if we want to start and lock in lower prices EMSSD has no cash to commit. We cannot sign a contract for something we cannot yet afford. Paul asked what is the earliest date or a reasonable time frame to get the loan from CIB. Leo responded that we would try and get funding and start the project next summer a year from now. Shane stated that it is late to be starting for this summer. Anyone doing projects this summer have already started and have their bids etc. Wade stated securing a

CIB loan is a large project. It is better if you have a 50% match. Leo responded that it would be better for us to use the money as a match for the CIB loan than use it to buy materials now. Leo also stated that there is no match required on an assessment area. Paul responded that with the money we have we could theoretically do the match. Paul stated that we need a 2 or 3 year plan prioritizing improvement projects. Jeremy responded that our master plan makes those recommendations. Jeremy stated that the Puffer Spring should be the top priority. Leo stated that should also include the line. Paul asked if the tank would be first or the spring. Jeremy responded that both need to be done. Dee stated that the CIB has large and small loans available. Shane stated that he feels the highest priority should be lots without water including the assessment area, Pinnacle Club and the valve project. Shane also stated that if we get that all done this summer it would be remarkable. Jeremy stated that adding more pipes in the assessment area will give us more storage. Phil asked if we could put the Pinnacle Club water project in the CIB loan. Wade responded that there are also two other agencies that loan for these types of projects besides CIB. Drinking Water Authority and USDA. Jeremy asked if there is a limit on times you can go to CIB. Leo responded that we need to ask our bond attorney if we can combine the Pinnacle Club project with assessment area. Phil asked if EMSSD can hold back 50% on the reserve and start a CIB application just for Pinnacle Club. Dee stated that CIB does let you defer payments for a year and still allows you to do the smaller project. Gaye responded that we need to call and get on the CIB list. Ron stated that USDA might be a good resource for our projects. Leo responded that Milford City is using USDA now it is a little more complicated process than CIB but is another source. Paul stated that we need to know what our priorities are and get on the CIB list in April. Wade responded that if Sunrise did a master plan we can use that. Gaye stated that we have the master plan so we are part way through the process. Dee stated that the CIB also has a combination of grants and funds. Phil responded that we need to talk about what we need on the list in April. Right now we have the assessment area, Pinnacle Club and Puffer that need to be done in the near term. Valves we can be taken care of after that and we need to look at storage at a later date. Wade stated that we can put all three on the list at once and then fund them as needed. Dee stated that the CIB stressed to put all of your projects on the list. They don't want us coming back for more money. Gaye agreed and Wade agreed. Phil stated that for the assessment area we don't have to have any of our own funds but for pinnacle and puffer we need half. Ron reported that the loan through USDA is 0 % contribution and 100% loan and a 40 year payback. USDA should be looked into by one of the board members. Paul responded that if the 50% contribution isn't required that makes it attractive. Paul stated that we need to look into the USDA program and plan for the April list for CIB. Paul asked who will be in charge of what goes on the CIB list. Phil asked if we can meet the CIB deadline for the assessment and Pinnacle then go through USDA for Puffer and the other projects. Leo stated that the board needs to make a motion to approve application to CIB to include assessment area and Pinnacle project if the engineer and attorneys say it can be combined. Otherwise we will just go forward with the assessment area.

Motion - Shane made a motion to approve application to the CIB to include the assessment area and Pinnacle Club if the engineers and attorneys say it can be done. If it cannot be combined we will go forward with the assessment area only. Phil Emmerson seconded. All approved without objection.

Paul asked who is assigned to call CIB. Gaye and Dee responded that they will conference call with them. Leo stated that the engineers can spearhead the USDA and Division of Drinking Water inquiry.

Water Rights - Leo stated that he received a signed banking agreement and deed from Lanse Churnos. The board needs to authorize Dee to sign the banking agreement.

Motion - Phil made motion to authorize Dee to sign bank agreement with Lanse Churnos. Ron seconded. All agreed without objections.

Leo reported that he has a meeting next week with Kent's Lake. Leo will be asking if they will work with us on a storage and release program. Leo stated that long term he is planning to file papers to request the state to reduce requirement that we have a half acre foot of water per cabin. Other cabins in the area are only required to have 2.4 acre feet of water. At some point in time Leo will file paperwork with the State to do that. This would take a lot of pressure off of our water rights. The water system loses so much water through leaks it makes it look like we are using a lot of water. Leo stated that he needs to get those things locked in and records that we can rely upon. Leo stated that we need to have records that account for the leaks. Leo will file a change app on all "A" water rights and try and take away the store and release provision.

Overview of current operations

Water System Status – Jeremy reported that the tanks are full again. Jeremy stated that a couple weeks ago the Puffer Spring pump went out. The tanks were dangerously low. Jeremy reported that he had a spare pump and changed it out. The new spare will be here in a couple of weeks. Shane stated that we need to determine why the alarm did not go off. Jeremy responded that it needs to be raised up above the snow. Dee stated that we need to put two pumps on so if one goes out the other kicks in. Jeremy stated that the pump has been running non-stop since October. The Forest Service Spring is unreadable. Puffer Spring pumping 45 g. p.m.

Roads – Jeremy reported that the road to the Upper Lodge needs a patch job. Jeremy stated that he will need a lot of road base this summer.

Equipment status – Jeremy reported that the equipment is good. Jeremy stated that he used the plow truck. It is in good shape. The loader blade needs welding done on it. Jeremy stated that the board needs to look at updating the snow blower. Jeremy stated that he is running out of places to put snow. Shane responded that most places truck out the snow. Shane asked if EMSSD and his company could co-own a snow blower. Leo responded that it could be worked out with a contract. It would take a comprehensive agreement that addressed maintenance and how all the costs would be shared.

Jeremy reported that there has been some problems with the trash cans. Because they set on our property people think it is our problem to keep them tidy. The trash company doesn't do a very good job of emptying them. It is an every week battle. Jeremy stated that he is looking for a

different location for the dumpsters. Shane asked if we can we opt out of garbage. Shane stated that we could find land and build a dumpster area. Residents could pay the 12 to EMSSD. Jeremy stated that once Pinnacle Club gets developed they will not want dumpsters in that location. Jeremy stated that he is always having to pull them out and doesn't have the time. Jeremy stated that he is looking for ideas. Shane responded that the parcel between the fire station and power sub-station would be an ideal receiving location. Maybe EMSSD could put something there off the highway. Shane stated that Phil could be in charge of researching opting out of garbage and having our own garbage removal. Leo stated that we took our service district out of fire protection. The county commission would have to approve it. Leo stated that EMSSD could add that as a service that we provide as a service district. Phil responded that he will look into that a little further.

Wade reported that he has inquired about having George work for the district on a part time basis. Wade stated that the county cannot tell him what to do. He can have a part time job if he can fulfill his other responsibilities and work part time. Wade stated that it is up to George. Ron stated that George is a state employee. The state requires that if you get another job you have to let your supervisor know. If your supervisor is approves it you can have another job. Leo stated that if you have a snow storm and call him up to help that works. Leo also stated that he cannot have set hours every week. He can be on call. Jeremy can just call him when there is a snow storm. As long as he is just on call there is no problem. Leo stated that George would need to clock in and clock out. Jeremy responded that he has a time clock. Leo stated that Jeremy will needs to have George go into David and give information he needs for insurance. Wade asked if we need to advertise for the position. Leo responded that we have done that in the past and George applied.

Eagle Point General Discussion – Shane reported that he is working on Pole Star a new condo by the tunnel. Shane stated that he sent the information to Leo for a will serve letter. These condos are already sold. Shane stated that he will be releasing more information about the Town Square. It is the future center of the resort. Shane stated that he is considering putting in more snow making infrastructure.

Fire Department Update – Jeremy reported that there are no new updates for the Fire Department. Ron asked Jeremy if he has an assistant chief assigned yet. Jeremy responded that he hasn't had any luck finding an assistant.

Review and Approve Monthly bills and Accounts Payable – David presented the bills that have been paid since the last meeting and the accounts payable to the board for approval. David stated that Marshall Cooper has been charged stand by fee and feels he should have been charged system obligation fee. That fee is \$45 less per quarter. He has paid this amount over the last 10 years. David stated that if he is correct \$45 a quarter. is \$180 per year over 10 years is \$1800. David stated that he recommends we credit his account. Leo stated that the statute of limitations is 4 years. The board can decide what amount it wants to credit. Shane stated that the board does not want to set a precedence. Paul responded that there could be negotiation

between 4 years and 10. Paul stated that we could make a policy that we correct it up to 5 years. Shane stated that we should offer to credit the account \$1000. That way the board hasn't set specific number of years. Paul responded that \$1000 is a little more than half. Leo stated that anyone who is in the assessment area should be being billed the system obligation fee. Phil responded that we could cap it at statute of limitations. Leo responded that if they are in the assessment area we need to straighten this out. Paul responded that the board does need to make it right but to what extent. Paul stated that we should set the maximum credit as \$1,000.00. Leo responded that Dave should check the lots in the assessment area and contact lot owners to see what they say.

Motion – Phil Emerson made the motion to approve the financial reports, bills that have been paid since the last meeting, and the accounts payable. Ron Torgerson seconded. All approved without objection.

Motion –Ron Torgerson made the motion to adjourn

The next EMSSD meeting will be held on Friday, April 23, 2021 at 9:00 a.m. in the County Commission Chambers at 105 East Center St