

**THE SUMMIT COUNTY MANAGER'S
2014 BUDGET MESSAGE**

to the

Summit County Council

and

Citizens of Summit County

November 1, 2013

COUNTY MANAGER BUDGET MESSAGE#

The Manager's recommended 2014 operating budget, including capital and debt financing, totals \$50.8 million. This is an increase of 12.2 percent over 2013. A significant amount of the increase comes from \$1.9 million for the construction of the Silver Creek exit round-about partially financed by redevelopment funds and state right-of-way money; \$1.4 million increase in a municipal fund property tax increase rebudgeted from 2013 and continued in 2014; and a \$1 Million contract with the State Office of the Courts to remodel and add a new courtroom in the Justice Center. A small part of the tax increase will be used to restore funding for cut or unfunded positions in the Planning and Sheriff's Departments, with the remaining used for major road maintenance projects totaling \$5.5 million.

County revenues are increasing due to the following factors: 1) opening balances have increased due to better-than-anticipated development fees and local sales taxes; 2) property taxes are increasing due to new growth and two-year's approvals from an increase in the municipal tax rate. We anticipate continued growth due to an improving economy in sales taxes and development permit revenues.

The 2014 Manager's recommended budget includes five new full-time positions. Over the last few years, the county's workforce was reduced by a net 22 positions. The recommended budget restores positions deemed most critical. Employee wages over the last few years have not kept pace with inflation. The budget includes adjustment in salary schedules where market studies have shown pay levels to be below amounts needed to recruit and retain qualified employees. The budget also includes a 1% cost-of-living pay increase and 3% for merit increases.

The recommended budget has been shaped to reflect council priorities outlined in the strategic plan. A list of recommended capital projects along with a draft long-term capital plan will be submitted later in the process.

Robert Jasper, County Manager

Attachment: A table outlining employee positions by department

SUMMIT COUNTY BUDGET TOTALS BY FUNDS

| <u>Fund / Sub-Fund</u> | <u>Recommended 2014 Budget</u> |
|---|------------------------------------|
| OPERATING FUNDS: | |
| General | \$ 24,562,875 |
| Municipal Services | 14,850,540 |
| Assessing & Collecting | 4,151,532 |
| G.O. Bond Redemption | 705,000 |
| Capital | 6,539,700 |
| Total Operating Funds | <u>50,809,647</u> |
| MISCELLANEOUS SPECIAL REVENUE FUNDS: | |
| Transient Room | 5,830,000 |
| Restaurant | 2,220,000 |
| Arts & Rec | 1,380,000 |
| Misc Special Revenue | 117,000 |
| Gen Capital Agent | - |
| Open Space | 241,000 |
| Municipal Building Authority | 1,054,000 |
| Disaster | 200,000 |
| RDA | 617,000 |
| INTERNAL SERVICE FUNDS: | |
| Fleet Lease | 2,654,984 |
| SPECIAL SERVICE DISTRICTS: | |
| SCSA #1 | 1,585,000 |
| SCSA #6 | 1,334,000 |
| SCSA #8 | 585,741 |
| Wildland Fire | 68,200 |
| Transit District | 2,679,800 |
| Park Ridge Water | 17,000 |
| SENIOR CITIZENS | |
| Senior Citizens Administration | 44,600 |
| NS Senior Citizens | 41,610 |
| SS Senior Citizens | 37,130 |
| PC Senior Citizens | 37,130 |

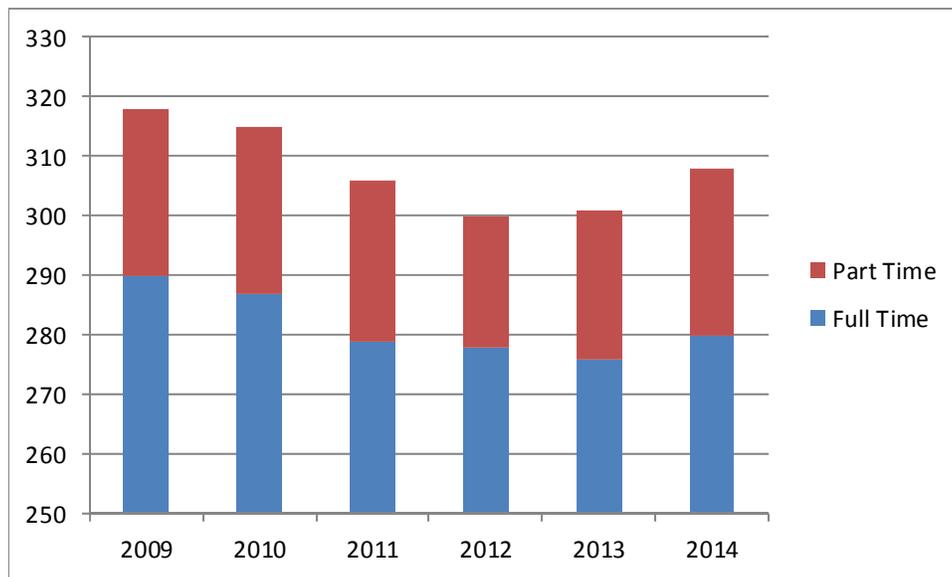
| Department | Position | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Fulltime | Fulltime | Fulltime | Fulltime | Fulltime | Fulltime |
| Community Development | Comm Development Director | 1 | 1 | 1 | 1 | 1 | 1 |
| | Office Manager | 1 | 1 | 1 | 1 | 1 | 1 |
| | Planning and Zoning Admin | | | | | 1 | 1 |
| | Project Coordinator | 1 | 1 | 1 | 1 | 1 | |
| | Administrative Specialist | | | | | | 1 |
| | Senior Planner | | | | | 1 | 1 |
| | Special Projects Manager | | | | | 1 | 1 |
| | Principle Planner | 1 | 1 | 1 | 1 | 1 | 1 |
| | County Planners | 6 | 5 | 5 | 5 | 2 | 2 |
| | Assistant County Planner | | 1 | 1 | 1 | 1 | 1 |
| | Code Enforcement Officer | 1 | 1 | 1 | 1 | 1 | 1 |
| | Permit Technician | 1 | | 1 | | | |
| | Secretaries | 3 | 2 | 2 | 2 | 2 | 2 |
| | Chief Building Official | 1 | 1 | 1 | 1 | 1 | 1 |
| | Plan Examiner | | | | | 1 | 1 |
| | Plan Exam.Asst Building Offic | 1 | 1 | 1 | 1 | | |
| | Building Inspectors | 7 | 5 | 4 | 4 | 4 | 4 |
| Subtotal | | 24 | 20 | 20 | 19 | 19 | 19 |
| County Manager's Office | County Manager | | 1 | 1 | 1 | 1 | 1 |
| | Assistant County Manager | 1 | 1 | 1 | 1 | 1 | 1 |
| | Special Projects Director | 1 | 1 | | | | |
| | Sustainability Coordinator | | 1 | 1 | 1 | 1 | 1 |
| | Comm & Pub Affairs Spec | | | | | 1 | 1 |
| | Economic Development Spec | | | | | | 1 |
| | Office Manager | | 1 | 1 | 1 | 1 | 1 |
| | Receptionist | 1 | 1 | | | | |
| | Historian | 1 | 1 | 1 | 1 | 1 | 1 |
| | Administrative Assistant | 1 | | | | | |
| Secretary | | | 1 | 1 | 2 | 1 | |
| Subtotal | | 5 | 7 | 6 | 6 | 8 | 8 |
| Engineering | County Engineer | 1 | 1 | 1 | 1 | 1 | 1 |
| | Engineers | 2 | 2 | 2 | 2 | 2 | 2 |
| | Public Works Inspectors | 2 | 2 | 2 | 2 | 2 | 2 |
| | Code Enforcement Tech | | | 1 | 1 | 1 | 1 |
| | Eng. Sec/Assistant Tech | 1 | 1 | | | | |
| | Secretary | | | | | 1 | 1 |
| Subtotal | | 6 | 6 | 6 | 6 | 7 | 7 |

| Department | Position | 2009 Fulltime | 2010 Fulltime | 2011 Fulltime | 2012 Fulltime | 2013 Fulltime | 2014 Fulltime |
|----------------------|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Justice Court | Judge | 1 | 1 | 1 | 1 | 1 | 1 |
| | Court Administrator | | | | | 1 | 1 |
| | Senior Court Clerk | 1 | 1 | 1 | 1 | 0 | 0 |
| | Court Clerk | 3 | 3 | 3 | 3 | 3 | 3 |
| Subtotal | | 5 | 5 | 5 | 5 | 5 | 5 |
| Library | Library Director | 1 | 1 | 1 | 1 | 1 | 1 |
| | Assistant Library Director | 1 | 1 | 1 | | | |
| | Youth Services Librarian | 1 | 1 | 1 | 1 | 1 | 1 |
| | Technical Services Librarian | 1 | 1 | 1 | 1 | 1 | 1 |
| | Outreach Services Librarian | | 1 | 1 | 1 | 1 | 1 |
| | Spanish Services Librarian | | 1 | 1 | 1 | 1 | 1 |
| | Branch Librarians | 2 | 2 | 2 | 3 | 3 | 3 |
| | Administrative Assistant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Library Clerks | 6 | 5 | 5 | 6 | 6 | 6 |
| | Subtotal | | 13 | 14 | 14 | 15 | 15 |
| Personnel | Director | 1 | 1 | 1 | 1 | 1 | 1 |
| | Benefits Administrator | 1 | 1 | 1 | 1 | 1 | 1 |
| | HR Tech | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Works | Public Works Administrator | 1 | 1 | 1 | 1 | 1 | 1 |
| | Deputy Public Works Admin | 1 | | | | | |
| | Road Superintendant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Project Foreman | | | 2 | 2 | 2 | 2 |
| | Mechanics | 2 | 2 | 2 | 2 | 2 | 2 |
| | Secretary | 1 | 1 | 1 | 1 | 1 | 1 |
| | Weed Control Lead | 1 | 1 | 1 | 1 | 1 | 1 |
| | Equip Operator/Weed Enfor | 1 | 2 | 1 | 1 | 1 | 1 |
| | Weed Enforcement Officer | | | 1 | 1 | 1 | 1 |
| | Equipment Operators | 15 | 13 | 11 | 11 | 12 | 12 |
| | Equip Operator/Storm Water | 3 | 3 | 3 | 3 | 3 | 3 |
| Sign Technician | | 1 | 1 | 1 | 1 | 1 | |
| Subtotal | | 26 | 25 | 25 | 25 | 26 | 26 |

| Department | Position | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Fulltime | Fulltime | Fulltime | Fulltime | Fulltime | Fulltime |
| Recorder's Office | County Recorder | 1 | 1 | 1 | 1 | 1 | 1 |
| | Chief Deputy Recorder | 1 | 1 | 1 | 1 | 1 | 1 |
| | GIS Technician | | | | | 1 | 1 |
| | Senior Cadastral Mapper | 1 | 1 | 1 | 1 | 1 | 1 |
| | Deputy Recorder | 8 | 6 | 4 | 4 | 3 | 3 |
| Subtotal | | 11 | 9 | 7 | 7 | 7 | 7 |
| Sheriff's Office | Sheriff | 1 | 1 | 1 | 1 | 1 | 1 |
| | Chief Deputy | | 1 | 1 | | | |
| | Office Manager | 1 | 1 | 1 | 1 | 1 | 1 |
| | Secretary | 3 | 2 | 2 | 2 | 2 | 3 |
| | Captain | 4 | 3 | 1 | 2 | 1 | 1 |
| | Patrol Lieutenant | | | 1 | 1 | 1 | 1 |
| | Patrol Sergeants | 6 | 6 | 4 | 5 | 5 | 5 |
| | Patrol Lead Deputies | 4 | 4 | 5 | 5 | 4 | 4 |
| | Deputies | 19 | 18 | 15 | 14 | 14 | 15 |
| | Major Crime Lieutenant | | | 1 | 1 | 1 | 1 |
| | Major Crime Sergeant | | | 1 | 1 | 1 | 1 |
| | Major Crime Detective | | | 1 | 4 | 3 | 3 |
| | Special Ops Lieutenant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Special Ops Sergeant | | | | 2 | 1 | 1 |
| | Detective Sergeant | 3 | 3 | 2 | | | |
| | Detectives | 8 | 10 | 8 | 6 | 7 | 7 |
| | Evidence Tech | | | 1 | 1 | 1 | 1 |
| | Corrections Lieutenant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Corrections Sergeant | 4 | 4 | 4 | 4 | 5 | 5 |
| | Corrections Lead Deputies | 4 | 4 | 4 | 4 | 4 | 4 |
| | Corrections Officers | 14 | 14 | 13 | 12 | 12 | 12 |
| | Corrections Nurse | | | | 1 | 1 | 1 |
| | Court Security Lieutenant | | | 1 | 1 | 1 | 1 |
| | Court Security Sergeant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Court Security Lead Deputy | 1 | 1 | 1 | 1 | 1 | 1 |
| | Court Security Officer | 6 | 6 | 6 | 6 | 7 | 7 |
| | Inmate Working Deputies | | | 2 | 2 | | |
| | Kitchen Manager | 1 | 1 | 1 | 1 | 1 | 1 |
| | Cooks | 2 | 2 | 2 | 2 | 2 | 2 |
| | Dispatch Supervisor | 1 | 1 | 1 | 1 | 1 | 1 |
| Lead Dispatchers | 2 | 2 | 2 | 2 | 2 | 2 | |
| Dispatchers | 12 | 12 | 12 | 12 | 12 | 12 | |
| Subtotal | | 99 | 99 | 97 | 98 | 95 | 97 |

| Department | Position | 2009 Fulltime | 2010 Fulltime | 2011 Fulltime | 2012 Fulltime | 2013 Fulltime | 2014 Fulltime |
|----------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Solid Waste | Solid Waste Manager | | | 1 | 1 | | |
| | Solid Waste Superintendant | 1 | 1 | 1 | 1 | 1 | 1 |
| | Landfill Operators | 6 | 6 | 6 | 6 | 6 | 6 |
| | Landfill Spotters | 2 | 2 | 2 | 2 | 2 | 2 |
| | Gate Attendant | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 10 | 10 | 11 | 11 | 10 | 10 |
| Treasurer's Office | County Treasurer | 1 | 1 | 1 | 1 | 1 | 1 |
| | Chief Deputy Treasurer | 1 | 1 | 1 | 1 | 1 | 1 |
| | Deputy Treasurer | 1 | 2 | 1 | 1 | 1 | 1 |
| | Motor Vehicle Supervisor | 1 | 1 | 1 | 1 | | |
| | Motor Vehicle Tech | 3 | 3 | 3 | 3 | 4 | 4 |
| Subtotal | | 7 | 8 | 7 | 7 | 7 | 7 |
| USU | Secretary | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 1 | 1 | 1 | 1 | 1 | 1 |
| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Total Full-Time Employees | | 290 | 287 | 279 | 278 | 276 | 280 |

| Department | Position | 2009 Parttime | 2010 Parttime | 2011 Parttime | 2012 Parttime | 2013 Parttime | 2014 Parttime |
|----------------------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Attorney's Office | Victim Advocate | 1 | | | | | 1 |
| | Prosecuting Attorney | | | | | | 1 |
| | Civil Attorney | | | | | 1 | 1 |
| | CJC Director | | | | | 1 | 1 |
| | Paralegal | 1 | 1 | 1 | 1 | 1 | 1 |
| | Legal Secretary | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 3 | 2 | 2 | 2 | 4 | 6 |
| Auditor's Office | Auditing Tech III | | | 1 | 1 | 1 | 1 |
| Subtotal | | | | 1 | 1 | 1 | 1 |
| Clerk's Office | Elections Clerk | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 1 | 1 | 1 | 1 | 1 | 1 |
| Council | Chair | 1 | 1 | 1 | 1 | 1 | 1 |
| | Vice-chair | 1 | 1 | 1 | 1 | 1 | 1 |
| | Council Member | 3 | 3 | 3 | 3 | 3 | 3 |
| Subtotal | | 5 | 5 | 5 | 5 | 5 | 5 |
| County Managers Office | Emergency Manager | | | | | 1 | 1 |
| Subtotal | | | | | | 1 | 1 |
| Engineering | Engineer Sec/Asst Tech | 1 | 1 | 1 | 1 | 1 | 1 |
| | Engineering Tech | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 2 | 2 | 2 | 2 | 2 | 2 |
| Health Department | Clinical Assistant | 1 | 1 | | | 1 | 1 |
| | Nurse Practitioner | 1 | 1 | | | | |
| | Physical Therapist | 1 | 1 | 1 | 1 | 1 | 1 |
| | Speech Language Patholog | 1 | 1 | 1 | 1 | 1 | 1 |
| | Occupational Therapist | 1 | 1 | 1 | 1 | | |
| | Registered Dietician | 1 | 1 | 1 | | | |
| | Health Educator | 2 | 2 | 2 | 2 | 2 | 2 |
| | WIC Nurse | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 9 | 9 | 7 | 6 | 6 | 6 |
| Personnel | HR Tech | | | | | | 1 |
| Subtotal | | | | | | | 1 |
| Library | Library Clerks | 5 | 6 | 6 | 4 | 4 | 4 |
| Subtotal | | 5 | 6 | 6 | 4 | 4 | 4 |
| Sheriff's Office | Corrections Nurses | 2 | 2 | 2 | | | |
| Subtotal | | 2 | 2 | 2 | | | |
| Solid Waste | Landfill Spotters | 1 | 1 | 1 | 1 | 1 | 1 |
| Subtotal | | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Part-Time Employees | | 28 | 28 | 27 | 22 | 25 | 28 |



The above graph shows the reduction in total Summit County staff between 2009 and 2013. Total approved positions were reduced by eighteen, or 5.6 percent. The graph shows the recommended increase in part- and full-time positions for 2014. Four new full-time positions are being recommended, while eliminating another position (due to attrition). Three part-time positions are being recommended – two in the attorney’s office.

Summit County Mission Statement & Strategic Issues

Mission Statement

The mission of Summit County is to provide excellent, ethical and efficient services that ensure quality of life for present and future generations.

Vision Statement

Summit County is a vital community that is renowned for its natural beauty, quality of life, economic diversity and supporting a healthy, prosperous culturally-diverse citizenry.

Strategic Issues

In order to achieve our mission and vision for the future, Summit County must focus on the following six strategic issues that help us define “what is most important” when determining where resources, both time and money, should be spent.

STRONG FISCAL FOUNDATION

Summit County needs a strong financial foundation in order to provide consistent, high quality services to its citizens.

The County shall utilize sound financial principles incorporating diverse, stable and equitable revenue sources and strategic budgeting to achieve the County’s mission, vision and priorities, both near and long term.

PLANNING & COLLABORATION

Summit County recognizes that collaborative visionary planning is essential to ensuring carefully-managed growth.

The County shall adopt updated general plans and revised development codes and collaborate with neighboring jurisdictions and communities concerning regional issues.

MULTI-MODAL TRANSPORTATION

Efficient multi-modal transportation systems and mobility options are essential to planning for growth and preserving the community's quality of life.

Summit County shall proactively update its transportation plans.

ECONOMIC VITALITY & DIVERSITY

Summit County needs a robust, diversified and growing economy to ensure its future economic vitality.

In order to build and sustain a strong economic base, the County shall attract new and diverse economic drivers while continuing to support its existing business.

ENVIRONMENTAL STEWARDSHIP

Summit County recognizes the importance of a healthy natural environment to our quality of life.

The County shall be proactive in reducing our carbon footprint, protecting water resources, re-mediating contamination, protecting air, land, water quality and actively participating with our local, state and federal agencies.

ENGAGED & INFORMED CITIZENRY

Summit County values citizen input and involvement and understands the importance of an informed citizenry.

The County shall adopt a comprehensive communications plan utilizing current technology to encourage citizen participation in all facets of county government.

PRIORITY PERFORMANCE OBJECTIVES 2013-2014

The Summit County Council has identified the following priority objectives to be analyzed and reviewed periodically.. These performance goals are deemed to be strategically important and essential to defining and achieving the County's mission and vision for the future.

- Establish financial stability, including enhancing revenues, for the County as needed to provide excellent services.
- Adopt updated General Plan and revised development codes for Snyderville Basin and Eastern County.
- Master Plan for the area east of Highway 40 and north of I-80.
- Adopt an Economic Diversity strategy.
- Adopt a revised Snyderville Basin Transportation Plan.
- Adopt an Eastern Summit County Transportation Plan.
- Adopt a comprehensive environmental clean-up strategy with emphasis on the Highway 40 corridor.
- Adopt updated Emergency Operations Plan.
- Adopt a water resource strategy.
- Adopt an air and water quality strategy.
- Adopt a Solid-Waste Master Plan.
- Adopt a comprehensive county-wide communications plan.

INTRODUCTION

The following discussion is a presentation of the 2014 budget. For the purposes of budgeting, those funds deemed “operating funds” have been combined. These funds, independently, may have separate taxing authority and/or accounting responsibilities. However, because their sources may be combined to support a single department they have been combined to facilitate the budgeting process. After the budget is adopted by the County Council, budgets will be allocated to the appropriate funds.

The County has created a budget committee to review annual budget requests submitted by department heads and elected officials. The budget committee reviews requests in consideration of available funds, personnel requests and program objectives to determine allocation of funds as the committee feels best suits the needs of the County as a whole. The committee’s recommendation is submitted to the County Auditor.

The Auditor, as the statutory Budget Officer, is responsible for revenue projections and the preparation of a budget, which is then presented to the County Manager by October 1st. The County Manager may make changes to the budget which is then presented to the County Council by November 1st. The Councilors may make appropriation decisions and are required by statute to adopt a budget on or before the last day of the last month of each preceding fiscal year.

Estimated and Budgeted Changes in Operating Fund Balances:

The amounts shown on the following table for operating fund balances are tentative (as of November 1, 2013). State code requires each fund to have a balanced budget (revenues equal to expenditures). As the County progresses through the budget process these funds will become balanced before the 2014 budgets are adopted on or before December 31, 2013.

| | GENERAL FUND | MUNICIPAL SERVICES | ASSESS & COLL. | G.O. BOND | * CAPITAL RESOURCES | Total Operating Funds |
|---|---------------------|---------------------------|---------------------------|------------------|----------------------------|------------------------------|
| OPERATING FUNDS: | | | | | | |
| ESTIMATED BEGINNING BALANCES | 5,384,971 | 1,322,033 | 3,224,432 | 939,936 | 7,528,515 | 15,303,866 |
| REVENUES | | | | | | |
| Total Revenues | 24,749,165 | 15,244,144 | 3,695,140 | 705,000 | 6,539,700 | 50,933,149 |
| Total Resources | 29,982,938 | 14,276,440 | 6,714,486 | 1,644,936 | 13,618,215 | 66,237,015 |
| EXPENDITURES | | | | | | |
| Total Expenditures | 24,562,875 | 14,850,540 | 4,151,532 | 705,000 | 6,539,700 | 50,809,647 |
| Budgeted Revenues Over (Under) Budgeted Expenditures | 186,291 | 393,604 | (456,392) | - | - | 123,502 |
| BUDGETED ENDING BALANCES | 5,571,262 | 1,215,637 | 2,768,039 | 815,936 | 6,628,515 | 15,427,368 |

- Capital resources in General fund are \$186 thousand; Municipal Services fund are \$7.3 million.

BUDGET REVENUES BY SOURCE#

Summit County revenues are received from seven different categories or types. The major source of revenue for county government is through taxes. These taxes are collected primarily as either property taxes or sales and use taxes. Until 2013, the County had not increased property tax rates for over 20 years, instead relying primarily on new growth and development for either property tax or sales and use tax revenues. Taxes represent, approximately, sixty percent of total revenues.

Licenses and permits revenues are those received for programs such as business licenses, building permits and animal licenses. Typically, licenses and permits revenues are around four percent of total revenues. In recent years, due to slow development growth, this revenue source has decreased to two percent or less of total revenues.

Intergovernmental revenue is received, generally, from State and Federal sources. One significant portion of intergovernmental revenue is used to support and fund public health functions. Another significant portion is received as 'in-lieu' of property taxes, while another portion is received as excise gas tax funds. Other sources of intergovernmental revenues include courts reimbursements and bond proceeds. Over the past eleven years, intergovernmental revenues have averaged seventeen percent of total revenues.

Fees are those revenues collected as charges for services. Different county departments may charge and collect a fee based on use of services. Fees must be established by County ordinance. Ambulatory and waste disposal fees are examples of fees charged by the County. Fees average nine percent of total revenues.

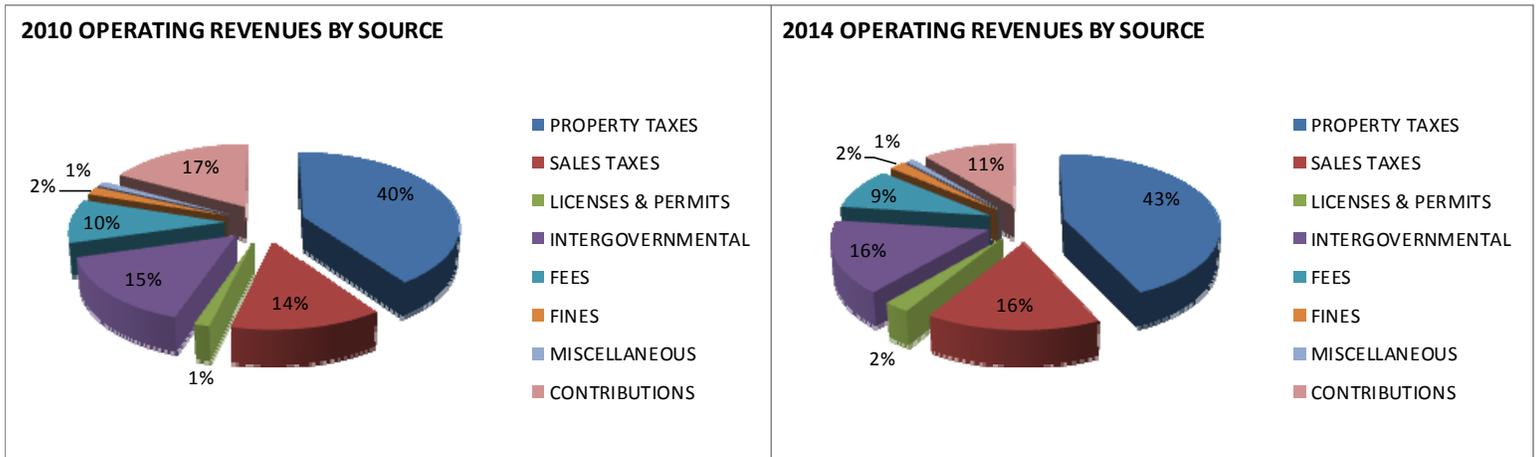
Fines are those revenues received as a result of a type of infraction against ordinance or law. Fines are a minor source of County revenue, averaging about two percent of total.

Miscellaneous revenues are those that are not classified in other categories. Miscellaneous revenues for the County include rental and interest income. These revenues are typically two percent of total County revenues.

Contributions are typically inter-fund transfers within the County. These may include contributions from surplus funds and revenues received from E-911 telephone surcharge. Contributions represent about six percent of County revenues.

The following table shows County revenues received by category from 2010 – 2012 as well as the budgeted amounts for 2013 and 2014.

| | Actual | | | Budget | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| TOTAL OPERATING REVENUES | | | | | |
| PROPERTY TAXES | 18,817,387 | 19,823,121 | 21,233,572 | 21,266,112 | 21,946,940 |
| SALES TAXES | 6,311,112 | 6,913,712 | 7,230,000 | 7,600,000 | 8,000,000 |
| LICENSES & PERMITS | 655,819 | 859,409 | 823,000 | 892,000 | 1,232,000 |
| INTERGOVERNMENTAL | 7,179,161 | 9,094,419 | 7,276,059 | 8,108,695 | 8,039,916 |
| FEES | 4,427,838 | 4,651,899 | 4,820,243 | 3,415,383 | 4,626,593 |
| FINES | 842,270 | 817,633 | 915,000 | 907,000 | 956,000 |
| MISCELLANEOUS | 543,901 | 3,097,807 | 718,500 | 263,500 | 524,500 |
| CONTRIBUTIONS | 7,949,604 | 5,242,237 | 3,413,063 | 2,592,206 | 5,607,200 |
| TOTAL | 46,727,093 | 50,500,237 | 46,429,437 | 45,044,896 | 50,933,149 |
| Population Estimates | 36,496 | 37,208 | 38,064 | 38,939 | 39,370 |
| Total Revenues per Population | 1,280.33 | 1,357.24 | 1,219.78 | 1,156.80 | 1,293.69 |



The adoption of the 2013 municipal fund tax increase allowed the County to shift from as less reliable income source by broadening the amount of revenues received from property taxes. This will allow the County to continue to provide essential services going into the future. The main impact on revenues by source in the graphs above is shown by the shift from contributions to property taxes.

The budgeted increase in fees from 2013 to 2014 is 36 percent. Revenues from fees are primarily generated from ambulances services (\$1.85 million) and development related fees (\$1.2 million) – combined 66 percent of revenues from fees. Budgeted revenues from development fees include a proposed change in fee schedule that has been discussed with the Council by the Community Development department. This budget assumes that the Council will adopt the new fee schedule.

| | Actual | | | Budget | |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Community Development | | | | | |
| Sources | | | | | |
| Subdivision Fees | 122,849 | 215,002 | 180,000 | 150,000 | 190,000 |
| Development Code | 2,909 | 3,753 | 3,000 | 3,000 | 1,800 |
| Plan Check Fees | 185,781 | 252,041 | 250,000 | 275,000 | 475,000 |
| Building Permits | 527,906 | 559,567 | 540,000 | 580,000 | 900,000 |
| Total Sources | 839,445 | 1,030,364 | 973,000 | 1,008,000 | 1,566,800 |
| Uses | | | | | |
| Community Development | 499,727 | 465,724 | 495,331 | 537,300 | 542,581 |
| Planning | 650,567 | 688,194 | 623,613 | 508,650 | 756,510 |
| Building Inspection | 623,622 | 542,075 | 510,551 | 608,490 | 576,650 |
| Total Uses | 1,773,916 | 1,695,994 | 1,629,495 | 1,654,440 | 1,875,741 |
| Percent funded by department sources | 47% | 61% | 60% | 61% | 84% |

The table above shows that in 2010 only 47 percent of Community Development divisions were funded by fees related to that department. The 2014 recommended budget proposes that the fee schedules for these departments, as well as the possibility of other County fee schedules, be revisited during 2014.

Auditor

Blake Frazier



October 29, 2013

County Council,

Please consider approving the 2013 Board of Equalization Stipulations on November 6th. They will be prepared for your review prior to that date.

Thank You,

A handwritten signature in black ink, appearing to read "Kathryn", is written over a faint, larger version of the same name.

Kathryn Rockhill
BOE Clerk

2013 BOE Adjustments

| Account # | Serial # | New Market Value | Old Market Value | MV Difference | New Taxable Value | Old Taxable Value | Taxable Difference | Old Tax Estimate | % Difference | Explanation for adjustment |
|------------------------------|-------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|------------------|--------------|--|
| 0477391 | WWDDAM-WWD2 | \$ - | \$ 289,950.00 | \$ (289,950.00) | \$ - | \$ 289,950.00 | \$ (289,950.00) | \$ 2,517.35 | -100.00% | county owned property should be exempt to 0 value |
| 0478349 | LVDAM-LV7 | \$ - | \$ 5,100.00 | \$ (5,100.00) | \$ - | \$ 5,100.00 | \$ (5,100.00) | \$ 44.28 | -100.00% | county owned property should be exempt to 0 value |
| 0478318 | LVDAM-LV3 | \$ - | \$ 48,975.00 | \$ (48,975.00) | \$ - | \$ 48,975.00 | \$ (48,975.00) | \$ 425.20 | -100.00% | county owned property should be exempt to 0 value |
| 0478301 | LVDAM-LV2B | \$ - | \$ 46,725.00 | \$ (46,725.00) | \$ - | \$ 46,725.00 | \$ (46,725.00) | \$ 405.67 | -100.00% | county owned property should be exempt to 0 value |
| 0478293 | LVDAM-LV2A | \$ - | \$ 61,800.00 | \$ (61,800.00) | \$ - | \$ 61,800.00 | \$ (61,800.00) | \$ 536.55 | -100.00% | county owned property should be exempt to 0 value |
| 0476172 | EWD-EWD4 | \$ - | \$ 7,050.00 | \$ (7,050.00) | \$ - | \$ 7,050.00 | \$ (7,050.00) | \$ 61.21 | -100.00% | county owned property should be exempt to 0 value |
| 0476165 | EWD-EWD2 | \$ - | \$ 73,575.00 | \$ (73,575.00) | \$ - | \$ 73,575.00 | \$ (73,575.00) | \$ 638.78 | -100.00% | county owned property should be exempt to 0 value |
| 0476158 | EWD-EWD1 | \$ - | \$ 23,925.00 | \$ (23,925.00) | \$ - | \$ 23,925.00 | \$ (23,925.00) | \$ 207.72 | -100.00% | county owned property should be exempt to 0 value |
| 0477384 | WWDDAM-WWD1 | \$ - | \$ 80,025.00 | \$ (80,025.00) | \$ - | \$ 80,025.00 | \$ (80,025.00) | \$ 694.78 | -100.00% | county owned property should be exempt to 0 value |
| 0447945 | PP-74-C-1 | \$ - | \$ 3,075.00 | \$ (3,075.00) | \$ - | \$ 3,075.00 | \$ (3,075.00) | \$ 26.70 | -100.00% | county owned property should be exempt to 0 value |
| 0389340 | BEH-II-18 | \$ 55,000.00 | \$ 55,000.00 | \$ - | \$ 56.00 | \$ 55,000.00 | \$ (54,944.00) | \$ 648.62 | -99.90% | Change Property to FAA (Green Belt). |
| 0340194 | PCSM-100 | \$ 249,600.00 | \$ 1,136,000.00 | \$ (886,400.00) | \$ 249,600.00 | \$ 1,136,000.00 | \$ (886,400.00) | \$ 2,270.36 | -78.03% | to capitalized income value of 249600 |
| 0296792 | SS-3-G | \$ 809,597.00 | \$ 1,849,597.00 | \$ (1,040,000.00) | \$ 809,597.00 | \$ 1,849,597.00 | \$ (1,040,000.00) | \$ 16,058.20 | -56.23% | To 809597 |
| 0226070 | JGC-5 | \$ 209,460.00 | \$ 209,460.00 | \$ (200,000.00) | \$ 209,460.00 | \$ 209,460.00 | \$ (100,000.00) | \$ 3,805.93 | -48.84% | To 209460 |
| 0226062 | JGC-4 | \$ 1,077,760.00 | \$ 2,102,858.00 | \$ (1,025,098.00) | \$ 1,077,760.00 | \$ 2,102,858.00 | \$ (1,025,098.00) | \$ 19,546.07 | -48.75% | To 1077760 |
| 0226047 | JLG-2 | \$ 218,080.00 | \$ 418,080.00 | \$ (200,000.00) | \$ 218,080.00 | \$ 418,080.00 | \$ (200,000.00) | \$ 3,886.05 | -47.84% | To 218080 |
| 0226054 | JGC-3 | \$ 113,280.00 | \$ 213,280.00 | \$ (100,000.00) | \$ 113,280.00 | \$ 213,280.00 | \$ (100,000.00) | \$ 3,423.44 | -46.89% | To 113280 |
| 0317260 | PCROS-3 | \$ 146,942.00 | \$ 146,942.00 | \$ - | \$ 80,656.00 | \$ 146,942.00 | \$ (66,286.00) | \$ 1,358.45 | -45.11% | Change to Primary |
| 0093496 | WS-53 | \$ 147,047.00 | \$ 147,047.00 | \$ - | \$ 80,875.00 | \$ 147,047.00 | \$ (66,172.00) | \$ 1,350.63 | -45.00% | Change to Primary |
| 0108146 | CD-392-10 | \$ 414,961.00 | \$ 414,961.00 | \$ - | \$ 228,228.00 | \$ 414,961.00 | \$ (186,733.00) | \$ 3,875.32 | -45.00% | Primary Residence Change |
| 0226039 | JGC-1 | \$ 369,380.00 | \$ 669,380.00 | \$ (300,000.00) | \$ 369,380.00 | \$ 669,380.00 | \$ (300,000.00) | \$ 6,221.89 | -44.82% | To 369380 |
| 0296818 | SS-1-A-8 | \$ 228,163.00 | \$ 394,315.00 | \$ (166,152.00) | \$ 228,163.00 | \$ 394,315.00 | \$ (166,152.00) | \$ 3,423.44 | -42.14% | To 228163 |
| 0476343 | 352&354-1 | \$ 1,922,626.00 | \$ 3,130,000.00 | \$ (1,207,374.00) | \$ 1,922,626.00 | \$ 3,130,000.00 | \$ (1,207,374.00) | \$ 28,470.48 | -38.57% | To 1922626 |
| 0348916 | CWPC-1-AM | \$ 7,180,545.00 | \$ 7,180,545.00 | \$ - | \$ 3,735,019.00 | \$ 6,075,369.00 | \$ (2,340,350.00) | \$ 52,746.35 | -38.52% | Primary Residence Change |
| 0342067 | TDS-II-2 | \$ 170,800.00 | \$ 273,300.00 | \$ (102,500.00) | \$ 170,800.00 | \$ 273,300.00 | \$ (102,500.00) | \$ 2,368.42 | -37.50% | Adjusted value to reflect recent sales and listings in the area. Subject property is currently listed for sale |
| 0131569 | SL-I-7-3 | \$ 720,000.00 | \$ 1,070,000.00 | \$ (350,000.00) | \$ 720,000.00 | \$ 1,070,000.00 | \$ (350,000.00) | \$ 7,413.12 | -32.71% | adjusting for cap rate and expenses the new value indicated is 720000 |
| 0439715 | LBHV-1-1101 | \$ 135,000.00 | \$ 193,310.00 | \$ (58,310.00) | \$ 135,000.00 | \$ 193,310.00 | \$ (58,310.00) | \$ 1,678.32 | -30.16% | concur with appellants market conclusion of 135000 |
| 0454224 | NPTCR-R-1 | \$ 6,400,000.00 | \$ 9,150,000.00 | \$ (2,750,000.00) | \$ 6,400,000.00 | \$ 9,150,000.00 | \$ (2,750,000.00) | \$ 55,564.80 | -30.05% | concur with appellaants value estimate of 6,400,000 |
| 0340251 | PCSM-420 | \$ 772,200.00 | \$ 1,089,992.00 | \$ (317,792.00) | \$ 772,200.00 | \$ 1,089,992.00 | \$ (317,792.00) | \$ 9,914.57 | -29.16% | To 772200 |
| 0340244 | PCSM-410 | \$ 744,300.00 | \$ 1,050,001.00 | \$ (305,701.00) | \$ 744,300.00 | \$ 1,050,001.00 | \$ (305,701.00) | \$ 9,550.81 | -29.11% | TO 744300 |
| 0340202 | PCSM-110 | \$ 2,031,300.00 | \$ 2,860,000.00 | \$ (828,700.00) | \$ 2,031,300.00 | \$ 2,860,000.00 | \$ (828,700.00) | \$ 26,014.56 | -28.98% | To 2031300 |
| 0340210 | PCSM-120 | \$ 1,910,700.00 | \$ 2,690,000.00 | \$ (779,300.00) | \$ 1,910,700.00 | \$ 2,690,000.00 | \$ (779,300.00) | \$ 24,468.24 | -28.97% | To 1910700 |
| 0340228 | PCSM-310 | \$ 762,490.00 | \$ 1,069,990.00 | \$ (307,500.00) | \$ 762,490.00 | \$ 1,069,990.00 | \$ (307,500.00) | \$ 9,732.63 | -28.74% | To 762490 |
| 0396055 | FPRV-1-H | \$ 243,500.00 | \$ 340,000.00 | \$ (96,500.00) | \$ 243,500.00 | \$ 340,000.00 | \$ (96,500.00) | \$ 2,951.88 | -28.38% | sales used were restricted low income and a bank sale, a blank lease form does not qualify unit for prir |
| 0340236 | PCSM-320 | \$ 768,240.00 | \$ 1,079,998.00 | \$ (311,758.00) | \$ 768,240.00 | \$ 1,079,998.00 | \$ (293,758.00) | \$ 9,823.66 | -27.20% | To 768240 |
| 0402580 | HPCR-201-AM | \$ 480,000.00 | \$ 600,000.00 | \$ (120,000.00) | \$ 480,000.00 | \$ 600,000.00 | \$ (120,000.00) | \$ 5,457.60 | -20.00% | equity issue to 480000 |
| 0359087 | BD-A | \$ 1,570,000.00 | \$ 1,960,000.00 | \$ (390,000.00) | \$ 1,570,000.00 | \$ 1,960,000.00 | \$ (390,000.00) | \$ 17,828.16 | -19.90% | |
| 0439822 | CANCOR-1 | \$ 2,604,104.00 | \$ 3,250,000.00 | \$ (645,896.00) | \$ 2,604,104.00 | \$ 3,250,000.00 | \$ (645,896.00) | \$ 28,216.50 | -19.87% | |
| 0034680 | SA-224-G-2 | \$ 7,945,000.00 | \$ 9,250,000.00 | \$ (1,305,000.00) | \$ 7,945,000.00 | \$ 9,250,000.00 | \$ (1,305,000.00) | \$ 72,267.72 | -14.11% | |
| 0454231 | NPTCR-R-2 | \$ 11,170,000.00 | \$ 12,960,000.00 | \$ (1,790,000.00) | \$ 11,170,000.00 | \$ 12,960,000.00 | \$ (1,790,000.00) | \$ 96,977.94 | -13.81% | |
| 0278055 | SCO-C-AM-8 | \$ 2,298,270.00 | \$ 2,575,260.00 | \$ (276,990.00) | \$ 2,298,270.00 | \$ 2,575,260.00 | \$ (276,990.00) | \$ 24,830.51 | -10.76% | |
| 0463112 | DLADY-1 | \$ 360,000.00 | \$ 387,265.00 | \$ (27,265.00) | \$ 198,000.00 | \$ 212,996.00 | \$ (14,996.00) | \$ 1,937.41 | -7.04% | |
| 0441163 | SSLC-203-AM | \$ 917,500.00 | \$ 966,400.00 | \$ (48,900.00) | \$ 917,500.00 | \$ 966,400.00 | \$ (48,900.00) | \$ 8,765.80 | -5.06% | |
| 0440595 | KT-266-F-1 | \$ 2,407,965.00 | \$ 2,503,000.00 | \$ (95,035.00) | \$ 2,407,965.00 | \$ 2,503,000.00 | \$ (95,035.00) | \$ 26,376.61 | -3.80% | |
| 0375141 | SRM-1-AM | \$ 515,000.00 | \$ 526,974.00 | \$ (11,974.00) | \$ 324,849.00 | \$ 331,436.00 | \$ (6,587.00) | \$ 3,028.99 | -1.99% | |
| 0474974 | HRECR-1 | \$ 137,000,000.00 | \$ 139,510,160.00 | \$ (2,510,160.00) | \$ 137,000,000.00 | \$ 139,510,160.00 | \$ (2,510,160.00) | \$ 1,308,898.00 | -1.80% | |
| 0131551 | SL-I-7-2 | \$ 420,000.00 | \$ 720,000.00 | \$ (300,000.00) | \$ 420,000.00 | \$ 720,000.00 | \$ (300,000.00) | \$ - | 0.00% | |
| 0422620 | PCPRV-1 | \$ 1,390,510.00 | \$ 1,390,510.00 | \$ - | \$ 1,390,510.00 | \$ 1,390,510.00 | \$ - | \$ 12,072.41 | 0.00% | |
| 0269641 | PC-901 | \$ 7,076,000.00 | \$ 7,076,000.00 | \$ - | \$ 7,076,000.00 | \$ 7,076,000.00 | \$ - | \$ 64,363.30 | 0.00% | |
| 0132518 | HE-A-346-B | \$ 170,946.00 | \$ 170,946.00 | \$ - | \$ 170,946.00 | \$ 170,946.00 | \$ - | \$ 1,588.94 | 0.00% | |
| 0019376 | PC-279-1 | \$ 920,060.00 | \$ 920,060.00 | \$ - | \$ 920,060.00 | \$ 920,060.00 | \$ - | \$ 8,368.87 | 0.00% | |
| 0019376 | PC-279-1 | \$ 920,060.00 | \$ 920,060.00 | \$ - | \$ 920,060.00 | \$ 920,060.00 | \$ - | \$ 8,368.87 | 0.00% | |
| 0028443 | SA-356 | \$ 1,284,832.00 | \$ 1,284,832.00 | \$ - | \$ 1,284,832.00 | \$ 1,284,832.00 | \$ - | \$ 11,686.83 | 0.00% | |
| 0235139 | JR-3-OA | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ 27.89 | 0.00% | |
| 0296784 | JR-3-OA-1 | \$ 5,220.00 | \$ 5,220.00 | \$ - | \$ 5,220.00 | \$ 5,220.00 | \$ - | \$ 48.52 | 0.00% | |
| 0313654 | JR-53-B | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ 3,000.00 | \$ 3,000.00 | \$ - | \$ 27.89 | 0.00% | |
| 0296800 | SS-4-F | \$ 13,060.00 | \$ 13,060.00 | \$ - | \$ 13,060.00 | \$ 13,060.00 | \$ - | \$ 113.39 | 100.00% | |
| 0140123 | SS-61-B-5 | \$ 1,513,742.00 | \$ 535,090.00 | \$ 978,652.00 | \$ 1,513,742.00 | \$ 535,090.00 | \$ 978,652.00 | \$ 13,142.31 | 182.89% | Corrected appraisal error. Standby value was inadvertently placed on the property for 2013. |
| 0425060 | CSS-3 | \$ 298,565.00 | \$ 55,000.00 | \$ 243,565.00 | \$ 164,210.00 | \$ 55,000.00 | \$ 109,210.00 | \$ 1,936.54 | 198.56% | |
| Totals for 11/06/2013 | | \$ 209,087,805.00 | \$ 227,360,093.00 | \$ (18,272,288.00) | \$ 3,894,064.00 | \$ 225,885,110.00 | \$ (20,772,412.00) | | | |
| Totals for 10/9/2013 | | \$ 7,592,069.00 | \$ 9,460,749.00 | \$ (1,868,680.00) | \$ 7,239,918.00 | \$ 9,090,942.00 | \$ (1,851,024.00) | | | |
| Totals for 10/9/2013 | | \$ 36,608,292.00 | \$ 55,982,639.00 | \$ (17,374,347.00) | \$ 36,525,405.00 | \$ 53,706,743.00 | \$ (17,181,338.00) | | | |
| Totals for 10/2/2013 | | \$ 91,029,732.00 | \$ 104,702,073.00 | \$ (13,672,341.00) | \$ 78,543,117.00 | \$ 97,726,413.00 | \$ (19,183,296.00) | | | |
| Totals for 9/25/2013 | | \$ 131,169,641.00 | \$ 155,502,418.00 | \$ (24,332,777.00) | \$ 107,403,298.00 | \$ 142,109,691.00 | \$ (34,706,393.00) | | | |



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

MEMORANDUM

To: Summit County Council

From: Mountain Regional Water Administrative Control Board

Date: November 6, 2013

Subject: Adoption of 2014 Tentative Budget

Required Action

- 1) Adopt Tentative 2014 and 2013 Amended Budgets for Mountain Regional Water;
- 2) Set time and place of public hearing to consider its adoption;
- 3) Order public notice of hearing be published at least 7 days prior to the hearing in the Park Record and on the Utah Public Notice Website;
- 4) Direct Mountain Regional to make changes to the tentative budget, if so desired.

Mountain Regional Water

Recommended 2014 and 2013 Amended Budget Highlights

Mountain Regional Water

Key Budget Issues

1.03 Changes in Governmental Accounting Standards

- ❖ Will lead to more volatile Change in Net Position (Net Income)
- ❖ Will NOT impact cash flow

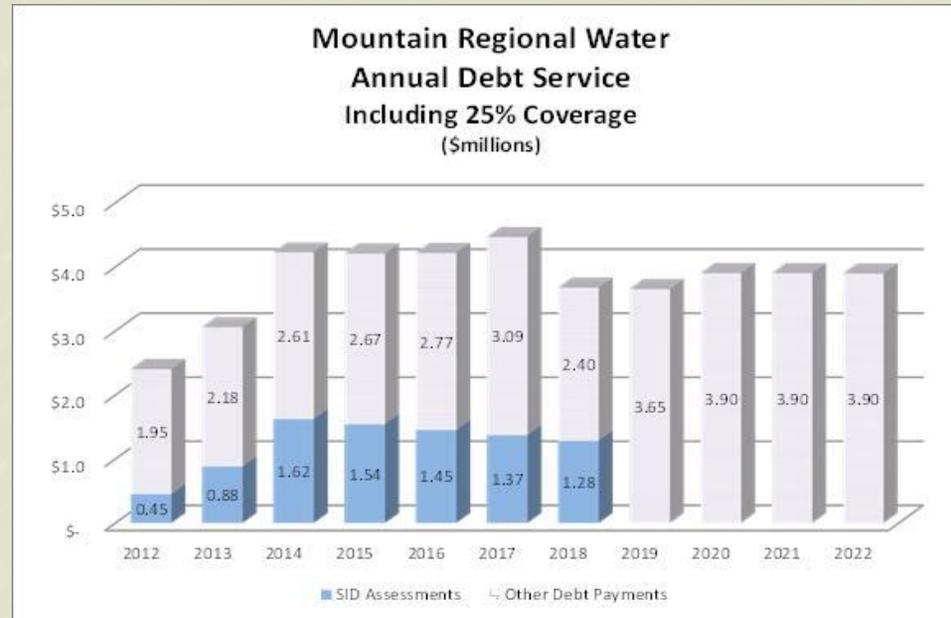
- ❖ Retirement Accounting
 - ❖ Unfunded retirement benefits now reported as a liability;
 - ❖ Annual change in liability is an operating expense (change affected by stock market, interest rates, etc.)
 - ❖ Amount of annual change not known until after fiscal year ends
 - ❖ For budget, the change in retirement liability will be “Actual Amount”

- ❖ Bond Issuance Costs
 - ❖ Expensed in year bonds issued
 - ❖ Previously expense was amortized annually over the life of the bonds
 - ❖ In future, will need to do a budget amendment at same time Council approves bonding resolutions

Mountain Regional Water Key Budget Issues

1.09 Debt Service Increasing (including 25% coverage)

- ❖ 2014 Increase of \$1.17 M
 - ❖ Promontory pay \$739,900 thru higher assessments
 - ❖ MRW pay \$427,800 (from cash generated from 2011 rate increases)



- ❖ Note increase in non SID debt
 - ❖ From \$2.61 million to \$3.09 million between 2014 and 2017
 - ❖ From \$2.40 million to \$3.65 million between 2018 and 2019
 - ❖ Increase funded with MRW rates, fees and charges. No SID assessment will be collected after 2018.

Mountain Regional Water

Key Budget Issues

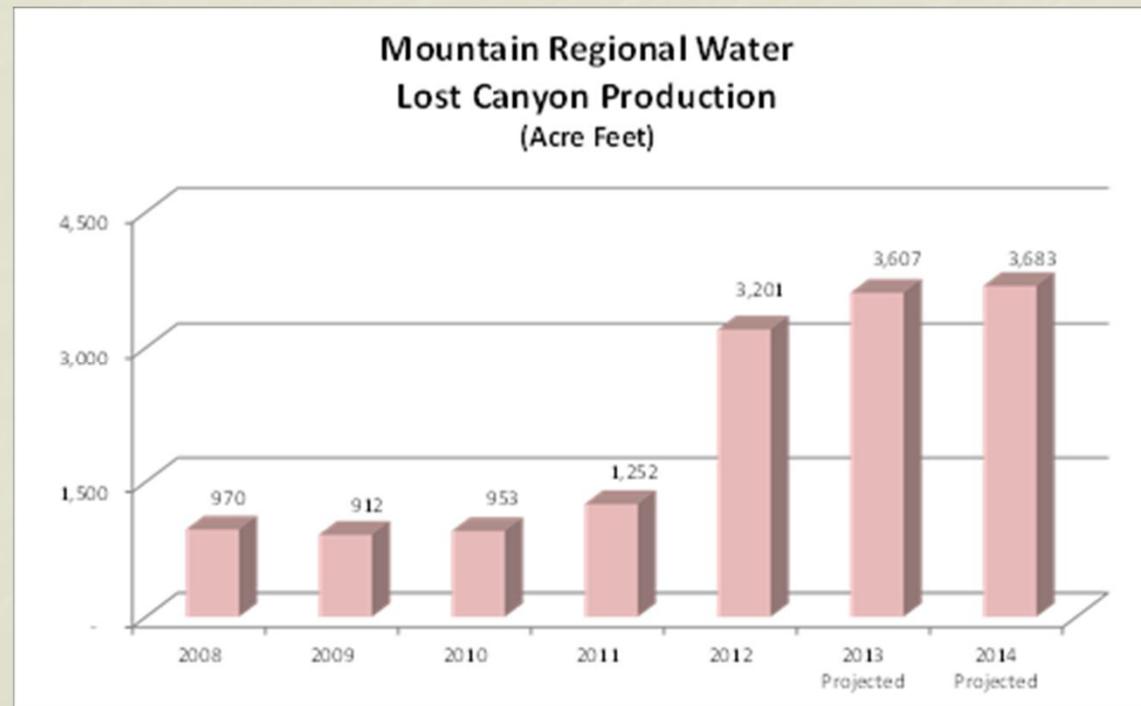
1.04 No water rate or fee increases for 2014

- ❖ Water rate increases adopted in 2011 were sufficient to cover debt service cost increases thru 2014
- ❖ The need for rate increases for 2015 and 2016 is dependent upon new customer growth and impact fee collections over the next twelve months
- ❖ Impact Fees Amended
 - ❖ Average impact fee per ERC will be lower
 - ❖ 1.8 ERC cap on residential homes will be eliminated (affects homes larger than 5,500 square feet)
- ❖ Need to discuss policy of current high punitive rates – as MRW has become too dependent upon the weather to generate water sales.
 - ❖ May consider increasing the base rates and reducing (not eliminating) punitive rates in next rate study

Mountain Regional Water Key Budget Issues

1.06 Lost Canyon Production

- ❖ Major water source for Snyderville Basin
- ❖ Ability to produce water off-peak saves estimated \$150,000 in annual power costs



- ❖ Recent regionalization agreement could allow MRW to sell surplus Lost Canyon water

Mountain Regional Water Key Budget Issues

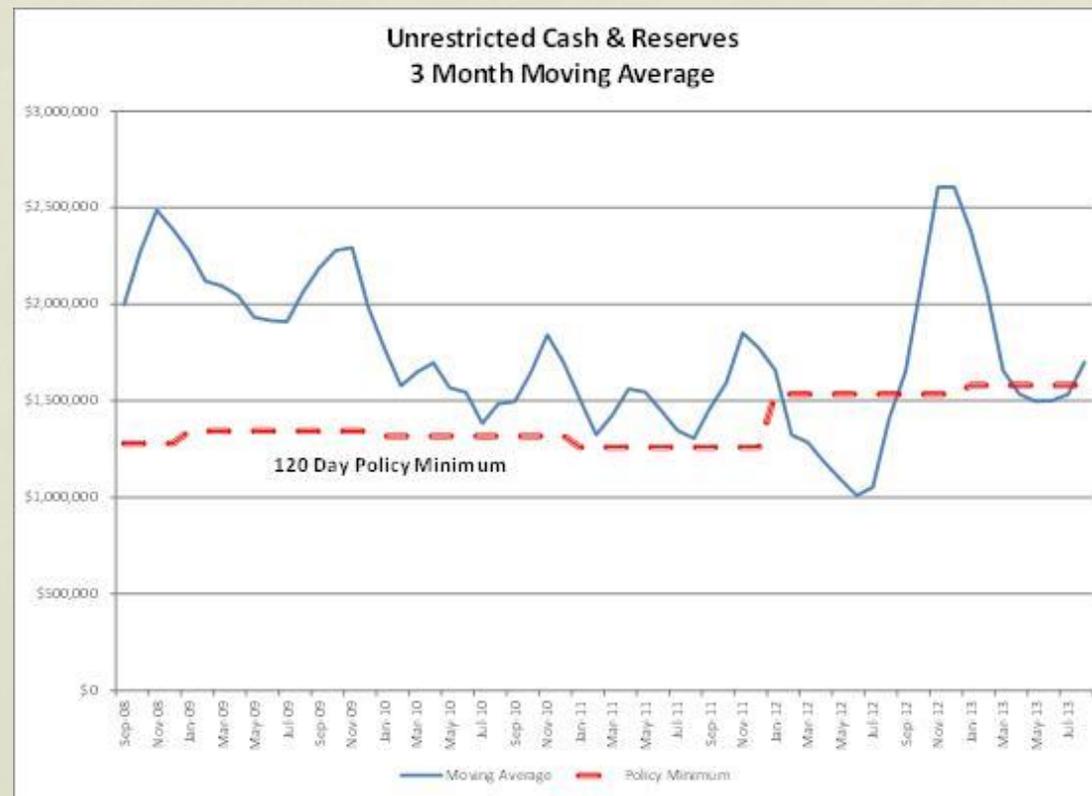
1.07 Regionalization Agreement with Weber Basin

- ❖ Includes Summit Water, Park City Water, Snyderville Reclamation & Summit County
- ❖ Provides MRW the opportunity to sell surplus Lost Canyon water to other entities until future regionalization project is constructed
- ❖ Provides MRW 1 MGD capacity rights in East Canyon Treatment Plant
 - ❖ Backup water supply
 - ❖ May be cheaper to supply west side of MRW
 - ❖ MRW to pay O&M costs when using water
- ❖ Pay \$200,000 regionalization fee starting in December 2019
 - ❖ Covers capital cost for East Canyon Treatment Plant capacity rights
- ❖ MRW only participate in future regionalization project if its needs additional water supply.
 - ❖ Currently MRW has sufficient water supply for build-out within its existing boundaries

Mountain Regional Water Key Budget Issues

1.11 Cash Reserves

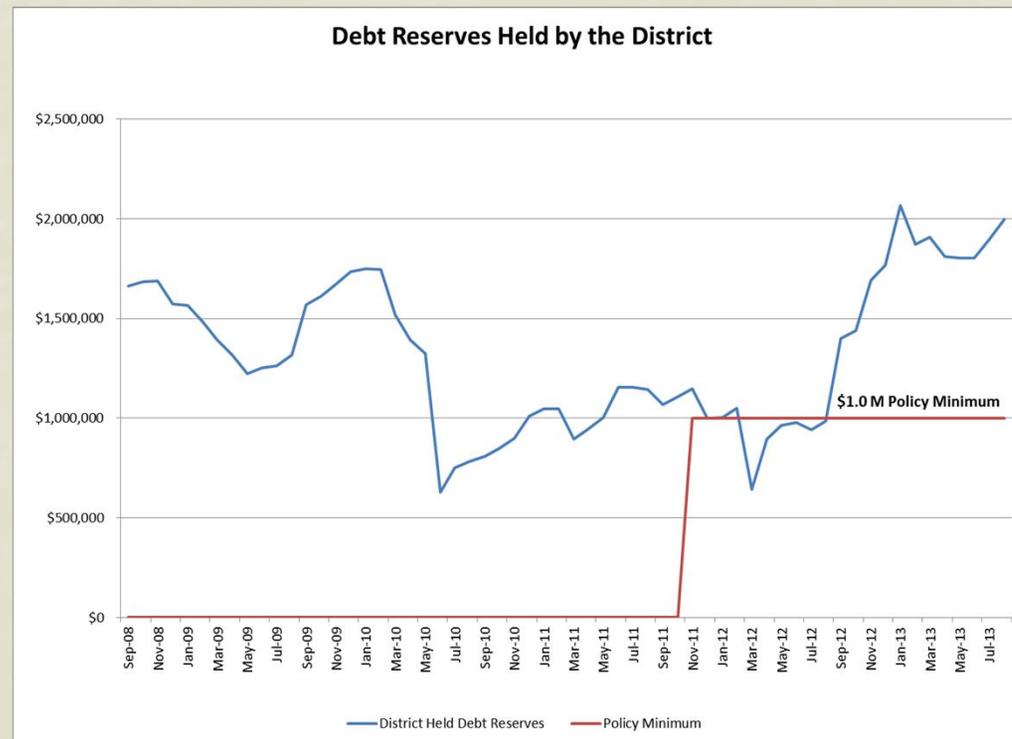
- ❖ Rate increases & improved development related revenue, and debt restructuring improved MRW cash position significantly
- ❖ *Unrestricted Cash Reserves* should now remain above 120 days policy minimum year-round following cash decline from recession / wet weather



Mountain Regional Water Key Budget Issues

1.11 Cash Reserves (continued)

- ❖ *Debt Reserves Held by the District* (in addition to bond mandated reserves) tripled since 2010 – to \$2.0 M
 - ❖ Includes Rate Stabilization Fund with a \$1.0 M minimum balance
 - ❖ Includes prepaid assessments and impact fee collections in excess of budget applied to future debt payments
 - ❖ Current prepaid assessments / excess impact fees equals \$1.0 million - will drop to \$0 when related bonds paid off

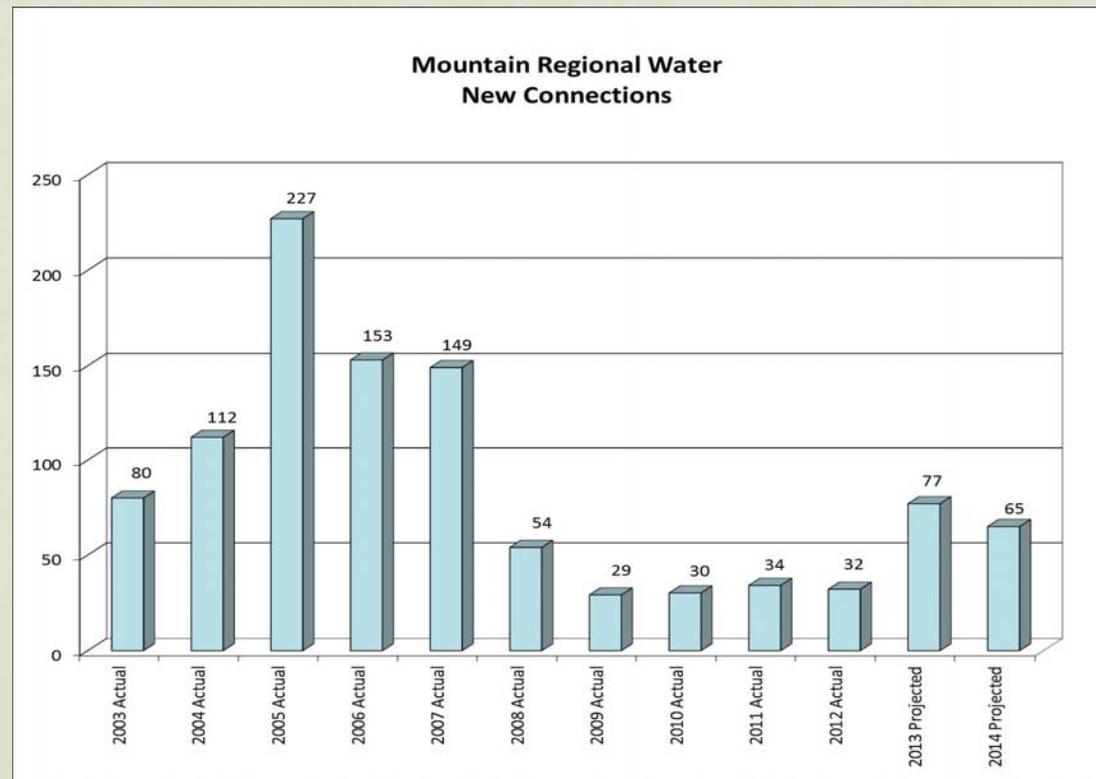


- ❖ Helps ensure District will have sufficient cash to make debt payments in case of emergency expenditures or declining revenue.

Mountain Regional Water Key Budget Issues

1.12 Impact of Economy on Customer Growth

- ❖ New connections and development related revenue for 2013 is more than twice the amounts for 2010 thru 2012
 - ❖ Increases impact and meter fee collections
 - ❖ Increase future water sales in eighteen months
 - ❖ Several new developments currently discussing water service with MRW



Mountain Regional Water

Key Budget Issues

1.15 Compensation

- ❖ MRW has set aside 4.0% for pay increases to be allocated solely based upon performance
- ❖ MRW will give same % pay increase as Summit County, on average, to its employees
 - ❖ MRW's pay increases will be 100% MERIT

1.16 Wellness Program

- ❖ MRW has developed a wellness program to hopefully reduce health insurance claims by making employees more healthy
 - ❖ Employees who participate and meet four of five bio-metric tests pay 5.0% of their health premiums, while those who don't pay 10%.
 - ❖ The biometrics targets are:

| | | | |
|----|---------------------|---|--------|
| 1) | A1c | < | 7.0% |
| 2) | Blood Pressure | < | 140/90 |
| 3) | Cholesterol | | |
| | Total | < | 200 |
| | LDL | < | 130 |
| 4) | Waist Circumference | | |
| | Men | < | 40" |
| | Women | < | 35" |
| 5) | Non-smoker | | |

Mountain Regional Water 2014 Budget Summary

| | |
|-------------------------|---------------------|
| ■ Operating Revenue | \$7,238,800 |
| ■ Operating Expense | <u>6,585,000</u> |
| ■ Operating Income | 653,800 |
| ■ Non-operating Revenue | 2,147,100 |
| ■ Non-operating Expense | <u>1,438,500</u> |
| ■ Non-operating Income | 663,600 |
| ■ Net Income | \$ 1,317,400 |

Mountain Regional Water 2014 Budget – Operating Revenue

- \$118,800 or 1.7% increase over 2013 Budget

- Water Sales \$ 77,000

- Customer growth
- Assumes normal weather

- Operating Fees \$ 79,500

- Increased development related fees

| Operating Revenue | | | | | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted | Projection | Control Board | Recommended to | Recommended to |
| | | | Budget | | Recommended | 2013 Budget | 2013 Budget |
| | | | | | | \$ Change | % Change |
| Water Sales | \$ 4,864,731 | \$ 6,226,121 | \$ 6,190,100 | \$ 6,203,800 | \$ 6,267,100 | \$ 77,000 | 1.2 % |
| Park City Wheeling Fees | 218,887 | 448,276 | 572,000 | 470,000 | 540,000 | (32,000) | (5.6) |
| Stagecoach Assessments | 213,903 | 198,751 | 178,400 | 174,000 | 167,700 | (10,700) | (6.0) |
| Operating Fees | 151,616 | 153,805 | 144,500 | 242,000 | 224,000 | 79,500 | 55.0 |
| Other | 48,279 | 236,215 | 35,000 | 50,000 | 40,000 | 5,000 | 14.3 |
| Total Operating Revenue | \$ 5,497,416 | \$ 7,263,168 | \$ 7,120,000 | \$ 7,139,800 | \$ 7,238,800 | \$ 118,800 | 1.7 % |

Mountain Regional Water 2014 Budget – Operating Expense

- \$298,800 or 4.8% increase over 2013 Budget
- Number of MRW FTEs will *remain the same* after transition period
- Operations
 - Weber Basin lease fees increasing \$41,400
 - Two operators hired mid 2013 now budget for full year
 - Additional Maintenance
- Other Departments
 - Non-cash Depreciation Expense increasing \$30,000
 - Additional resources for Human Resources, Procurement & CFO; Wellness Program, Obamacare Taxes

| Mountain Regional Water Operating Expense Summary | | | | | | | |
|--|---------------------|---------------------|--------------------------------------|---------------------|------------------------------|--|---|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted Budget | Projection | Control Board Recommended | Recommended to 2013 Budget \$ Change | Recommended to 2013 Budget % Change |
| Operations | | | | | | | |
| Energy & Resource Management | \$ 292,520 | \$ 323,309 | \$ 346,900 | \$ 346,900 | \$ 351,500 | \$ 4,600 | |
| Lost Canyon Transmission | 1,052,059 | 1,085,581 | 1,374,400 | 1,204,500 | 1,343,700 | (30,700) | |
| Treatment Plant | 111,103 | 642,992 | 452,600 | 391,500 | 459,900 | 7,300 | |
| Distribution | 1,516,033 | 1,762,278 | 1,865,900 | 1,862,200 | 2,009,300 | 143,400 | |
| Safety | 20,920 | 26,685 | 25,600 | 37,600 | 36,100 | 10,500 | |
| Subtotal Operations | 2,992,635 | 3,840,845 | 4,065,400 | 3,842,700 | 4,200,500 | 135,100 | 3.3 % |
| General Manager | | | | | | | |
| Engineering & Development | 88,197 | 92,535 | 93,600 | 93,600 | 97,900 | 4,300 | |
| Human Resources | 21,442 | 36,138 | 46,800 | 46,800 | 85,500 | 38,700 | |
| Legal Services | 18,180 | 4,805 | 30,000 | 30,000 | 30,000 | - | |
| Public Services | 391,692 | 330,663 | 348,800 | 349,200 | 387,900 | 39,100 | |
| Financial Management | 201,158 | 201,364 | 231,300 | 230,100 | 282,900 | 51,600 | |
| Subtotal Other Departments | 720,669 | 665,505 | 750,500 | 749,700 | 884,200 | 133,700 | 17.8 % |
| Depreciation Expense | 1,359,634 | 1,412,111 | 1,470,300 | 1,470,300 | 1,500,300 | 30,000 | |
| Retirement Expense | - | - | - | - | Actual Amount | n/a | |
| Non-Cash Expenses | 1,359,634 | 1,412,111 | 1,470,300 | 1,470,300 | 1,500,300 | 30,000 | 2.0 % |
| Total Operating Expense | \$ 5,072,938 | \$ 5,918,461 | \$ 6,286,200 | \$ 6,062,700 | \$ 6,585,000 | \$ 298,800 | 4.8 % |
| | | | 2013 Projected Budget Savings | \$ (223,500) | -3.6% | | |

Mountain Regional Water 2014 Budget – Non Operating Revenue

- \$1.03 M or 74.6% increase over 2013 Budget

- **SID Assessments**

\$ 830,000

- Increase in PRM payments is contractually required

- **Impact Fees**

\$ 220,000

- Increase in new development
 - 2013 projected collections now higher than 2014 budget
 - Sufficient impact fee reserves exist if budget projections not met

| Non-operating Revenue | | | | | | | | |
|--|-------------------|-------------------|---------------------|---------------------|---------------------------|--------------------------------------|-------------------------------------|----------|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted Budget | Projection | Control Board Recommended | Recommended to 2013 Budget \$ Change | Recommended to 2013 Budget % Change | |
| Interest Earnings - Available for Debt Service | \$ 152,710 | \$ 101,985 | \$ 30,600 | \$ 25,300 | \$ 29,900 | \$ (700) | (2.8) | |
| Interest Earnings - Not Available for Debt Service | 452 | 693 | 500 | 200 | 500 | - | - | |
| Impact Fees | 242,285 | 196,067 | 230,000 | 550,000 | 450,000 | 220,000 | 40.0 | |
| Assessments | 453,020 | 499,397 | 790,000 | 790,000 | 1,620,000 | 830,000 | 105.1 | |
| Cash Grants | - | - | - | - | - | - | n/a | |
| Other Cash Non-operating Revenue | 5,124 | 22,563 | 10,000 | 8,100 | 35,000 | 25,000 | 308.6 | |
| Non-Cash Non-operating Revenue | 11,667 | 11,667 | 53,200 | 11,700 | 11,700 | (41,500) | (354.7) | |
| Total Non-operating Revenue | \$ 865,258 | \$ 832,372 | \$ 1,114,300 | \$ 1,385,300 | \$ 2,147,100 | \$ 1,032,800 | 74.6 | % |

Mountain Regional Water 2013 Budget – Non Operating Expense

- \$161,800 or 9.8% Less than 2013 Budget
- Reduction in interest expense \$ 107,300
 - Due to 2013 principal payments
- Reduction in amortization expense \$ 54,500
 - Due to governmental accounting change

| Non-operating Expense | | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------------|--|---|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted Budget | Projection | Control Board Recommended | Recommended to 2013 Budget \$ Change | Recommended to 2013 Budget % Change |
| Interest Expense / Bank Fees | \$ 1,890,340 | \$ 1,689,534 | \$ 1,573,300 | \$ 1,531,800 | \$ 1,466,000 | \$ (107,300) | (6.8) |
| Amortization Expense | 46,266 | 1,107,774 | 72,000 | 20,000 | 17,500 | (54,500) | (75.7) |
| Total Non-operating Expense | \$ 1,936,606 | \$ 2,797,308 | \$ 1,645,300 | \$ 1,551,800 | \$ 1,483,500 | \$ (161,800) | (9.8) % |

Mountain Regional Water 2014 Capital Budget

- \$775,300 in new spending authority
 - \$375,000 for Summit Park project done in conjunction with Summit County and SBWRD
 - \$224,400 for capitalized personnel costs
 - \$175,900 for other improvements and equipment
 - Funding for Northridge Pumping Capacity to carry forward into 2014

| Mountain Regional Water Capital Budget | | | | | | | |
|---|---------------------------|-----------------------------|---------------------------|------------------------------|---|-------------------------|--------------------------------|
| | 2013 Adopted Budget | 2013 Projected Actual | 2013 Budget Savings | 2013 Savings Carryover | Control Board Recommended Increases | 2014 Total Budget | 2013 & 2014 Total Budget |
| CASH SOURCES | | | | | | | |
| 2013 Budget Carryover | | | | \$ 376,600 | \$ - | | |
| 2013 Cash Available for 2014 Capital Budget | | | | | 373,400 | | |
| Capital Facility Reserves | | | | | 200,000 | | |
| Impact Fees (to debt service) | | | | | 200,000 | | |
| TOTAL SOURCES | | | | \$ 376,600 | \$ 773,400 | | |
| CASH USES | | | | | | | |
| Completed Projects | 1,953,590 | 1,953,590 | - | - | n/a | n/a | n/a |
| Northridge Pumping Capacity | 125,000 | 50,000 | 75,000 | 75,000 | - | 75,000 | 125,000 |
| Summit Park Restoration with Summit County | - | - | - | - | 375,000 | 375,000 | 375,000 |
| Capitalized Personnel Costs | 213,100 | 213,100 | - | - | 224,400 | 224,400 | 437,500 |
| Other Improvements & Equipment | 321,633 | 110,000 | 211,633 | 211,600 | 175,900 | 387,500 | 497,500 |
| Contingency | 90,039 | - | 90,039 | 90,000 | - | 90,000 | 90,000 |
| TOTAL USES | \$ 2,703,362 | \$ 2,326,690 | \$ 376,672 | \$ 376,600 | \$ 775,300 | \$ 1,151,900 | \$ 1,525,000 |



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

MRW TENTATIVE

2014 BUDGET

And

2013 AMENDED

November 6, 2013

TABLE of CONTENTS

| | | |
|------|---|----|
| 1.0 | 2011 DISTRICT BUDGET OVERVIEW..... | 2 |
| 1.01 | The District | 2 |
| 1.02 | District Budgets | 2 |
| 1.03 | Changes in Government Accounting Standards..... | 2 |
| 1.04 | No Water Rate Increases | 3 |
| 1.05 | Hot, Wet Summer Weather | 3 |
| 1.06 | Lost Canyon Water Production..... | 4 |
| 1.07 | Regionalization Agreement | 4 |
| 1.08 | Rate Stabilization Fund..... | 5 |
| 1.09 | Increasing Debt Service Payments..... | 6 |
| 1.10 | Debt Coverage Ratio..... | 7 |
| 1.11 | Cash Reserves | 8 |
| 1.12 | Impact of Economy on Customer Growth..... | 12 |
| 1.13 | Revenue Trends | 12 |
| 1.14 | Staffing | 14 |
| 1.15 | Compensation | 14 |
| 1.16 | Wellness Program..... | 14 |
| 2.0 | 2014 OPERATING BUDGET | 15 |
| 2.01 | Summary | 15 |
| 2.02 | Operating Revenue..... | 16 |
| 2.03 | Operating Expense..... | 16 |
| 2.04 | Non-operating Revenue | 17 |
| 2.05 | Non-operating Expense | 18 |
| 2.06 | Transfers..... | 18 |
| 3.0 | 2014 DEBT SERVICE BUDGET..... | 20 |
| 4.0 | CAPITAL BUDGET | 22 |
| 5.0 | 2013 BUDGET AMENDMENTS | 24 |
| 5.01 | 2013 OPERATING BUDGET | 24 |
| 5.02 | 2013 DEBT SERVICE BUDGET | 26 |

1.0 2011 DISTRICT BUDGET OVERVIEW

1.01 The District

Mountain Regional Water (the District) is a regional public water company established in 2000 to resolve water shortage and quality problems in Snyderville Basin. It is governed by the Summit County Council who acts as the District's governing board. The Council has delegated certain powers to an Administrative Control Board consisting of citizens who live within the District. Since its creation numerous small water companies and developments have joined the District.

1.02 District Budgets

The District has three budgets that require adoption each year by the Summit County Council, based upon accounting guidelines established for governmental enterprise funds:

Operating Budget – This annual “accrual based” budget includes the overall operation and financing of the District. Under accrual based accounting, revenues are generally recorded when earned or billed - rather than when cash is actually collected. In addition, expenses are recorded when incurred regardless of when they are paid.

This budget includes interest expense on debt (see *Debt Service Budget* below), and the depreciation of capital assets (see *Capital Budget* below). However, it does not include any debt proceeds or the upfront cost of capital equipment and projects; or the payment of principal on debt.

Debt Service Budget – This annual “cash based” budget includes the payments due each year on the District's outstanding debt, including both principal and interest. The budgeted sources of cash must come from the current year operations of the District, or from the Rate Stabilization Fund, and not from other reserves (other reserves can be used if insufficient cash is generated during the year).

Capital Budget – This project “cash based” budget includes capital equipment costing more than \$5,000 and expenditures related to water system infrastructure, buildings, and water rights. These budgets remain in effect over the life of a project rather than a calendar year. Its cash sources typically include debt proceeds, grants, and reserve funds.

1.03 Changes in Government Accounting Standards

There are two significant accounting changes made by the Government Accounting Standards Board (GASB) that will affect future District budgets and financial statements on an accrual basis. Both these changes will likely lead to wide fluctuations in the annual change in net position (net income) on an accrual basis moving forward.

However, there will be absolutely no impact on cash flow or budget compliance, as state law requires cash revenue to exceed cash expenses; and as mentioned above the two accounting changes will not affect cash flow.

Retirement Accounting – The District is now required to show any actuarial deficits in its retirement program as a liability; with the year to year change shown as a non-cash operating

expense. The District is a member of the Utah State Retirement System (URS); and will share any URS actuarial deficits on a pro-rata basis, as determined by the number of employees.

The annual change in actuarial deficits will not be known by URS until the February following the District's fiscal year end – which is December. This means the District will not know the actual liability and annual change until after the fiscal year ends. To address this in the budget, the District arrived at a solution, in consultation with its independent auditor, in which the District will put “actual amount” for this budget item.

Bonding Issuance Costs – Previously, all issuance costs related to bonding were amortized over the life of the bond. Now all issuance costs, except bond insurance, will be expensed in the year the bonds are issued – which could be over \$1.0 million for large bond issues.

In the past, 3.3% to 5.0% of bond issuance costs were expensed each year over the life of the bonds (generally 30 or 20 years). This had only a minimal impact on change in net position (net income). In the future, bond issuance costs could lead to a significant negative change in net position (net loss) in the year the bonds are issued.

In the future, it is anticipated the District will recommend a budget amendment to the Summit County Council for issuance costs at the same time the Council authorizes the issuance of a bond. The estimated issuance costs will not be known until that time.

1.04 No 2014 Water Rate Increases

The District will not need any water rate increases to meet the 2014 budget.

Further, it is anticipated that individual impact fees per Equivalent Residential Connection (ERC) will be lower in 2014 as determined by a new capital facilities study. There is the potential for houses larger than 5,500 square feet to pay a higher impact fee; as the 1.8 ERC cap on residential impact fees is being eliminated.

For 2015 and 2016, the need for potential rate increases is dependent upon the amount of new development starting in 2014. To date, several developers have contacted the District to provide water service to new developments.

1.05 Hot, Wet Summer Weather

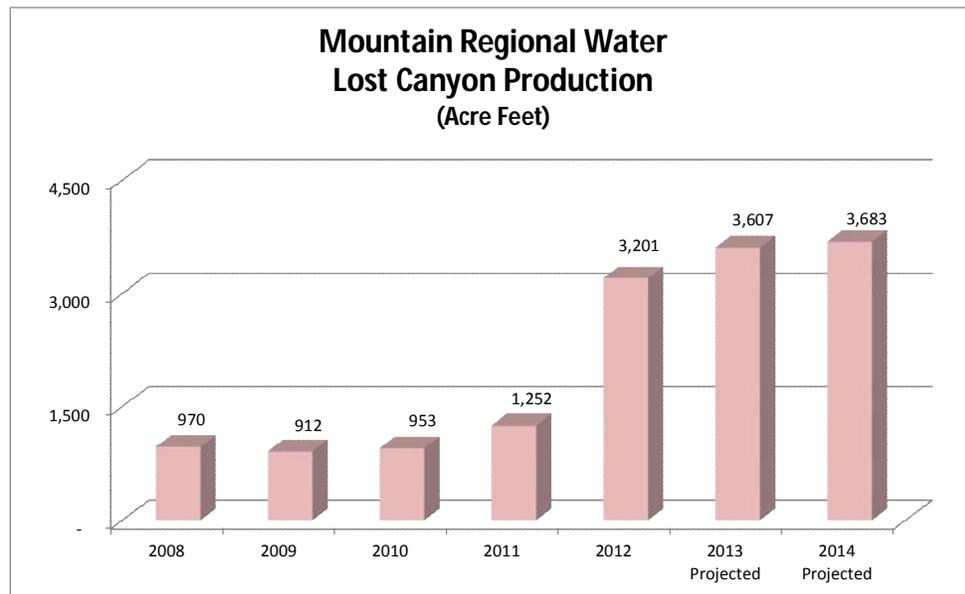
The District experienced a record hot summer, although significant rain dampened water sales in late summer. The District budgeted for normal weather in 2013; and water sales currently appear to be slightly over budget.

The District will continue to base its revenue estimates on normal weather for 2014.

Because the District has punitive rates for large water users, its water sales are very dependent upon weather. Consideration should be given to a shift in policy that would increase base rates and reduce (not eliminate) punitive rates when the next rate study is conducted.

1.06 Lost Canyon Water Production

The District's Lost Canyon water project is now the major water provider for the Snyderville Basin. In addition to providing more water to the District, Park City now has capacity rights for 2,900 acre feet of water through Lost Canyon. In addition, the District has the opportunity under the Regionalization Agreement discussed in **Section 1.07** below to sell excess water to other water entities as well. Annual Lost Canyon production is shown below.



There are two reasons for the dramatic production increase starting in 2012:

- 1) Park City began wheeling water through Lost Canyon for the first time; and
- 2) The District shut down production in many small inefficient wells.

A key component of the District's budget is power costs for Lost Canyon – which could range from \$250,000 to \$400,000 annually. For the past two years, the District has been able to manage production to avoid paying peak power rates. This has saved an estimated \$100,000 to \$150,000 in power costs annually. However, as the District begins to grow again, and other entities take water, it will be more difficult to manage production to avoid the peak rates. For 2014, the District has budgeted \$340,000 for Lost Canyon power costs.

Park City is required to pay 43.9% of the manpower, operating and power costs related to Lost Canyon; while another 18.1% of the costs are passed onto Promontory in its raw water irrigation rate. The District is required to pay the remaining 38.0%.

1.07 Regionalization Agreement

In 2013, the District entered into a landmark agreement to address the water needs of the Snyderville Basin over the next 50 years. This agreement was made among the District, Summit County, Park City Water, Summit Water, Snyderville Basin Reclamation, and Weber Basin Water Conservancy District (Weber Basin).

Under the agreement, Weber Basin will construct and pay for all future water importation projects into the basin. It is anticipated a new project will be needed in the next 10 to 15 years. The entities taking water from this new project will reimburse Weber Basin for the construction costs through higher water lease fees over a twenty year period.

Until a new project is completed, the District has the opportunity to sell its surplus water to other water entities in the basin; providing an additional revenue stream within the next few years.

Starting in 2020, the District will begin paying a \$200,000 take-or-pay annual regionalization fee to Weber Basin in exchange for the 1,000 gpm capacity from the East Canyon Treatment Plant, even though this treatment plant capacity may be available prior to 2020. If the District uses any water from the plant, it will also be required to reimburse Weber Basin for plant operating costs.

When the new project is built, the District is not required to participate in the related costs unless it requires additional water. Currently, the District has sufficient water source to meet its water demand at build-out. By acquiring 1,000 gpm capacity in the East Canyon Treatment Plant, the District has a backup supply in case its Lost Canyon project goes down; plus the plant is located on the opposite side of the basin from Lost Canyon, meaning it might be more cost beneficial to provide water to District customers on that side of the basin from the plant.

1.08 Rate Stabilization Fund

When the District issued its Series 2011A bonds, it amended its general bond indenture to establish a rate stabilization fund. The Rate Stabilization Fund has three components:

Rate Stabilization Fund – Bond Reserves - These reserves can only be applied to scheduled annual debt service payments in the event annual cash flow from any given year is insufficient to meet that year's scheduled debt service payments.

In the event the reserve balance falls below \$1.0 million, policy requires the District to restore the balance to \$1.0 million within three years. The projected 2013 year-end reserve balance is \$1.06 million.

Rate Stabilization Fund – Treatment Plant Operations – Each year, the District budgets one-tenth of the projected ten year cost for treatment plant chemicals, carbon, and membrane filters each year.

At the end of each year, if the amount expended for these items is below the budget amount, the difference is deposited into this reserve until it reaches \$500,000; while if the amount expended exceeds of the budget amount, the difference is withdrawn from this reserve. The projected 2013 year-end reserve balance is \$65,000 as the District replaced all of its membranes in 2012.

Rate Stabilization Fund - Expanded Lost Creek Canyon Repair and Replacement – The District has a contract with Park City that requires the District and Park City to deposit a fixed amount into this reserve each month.

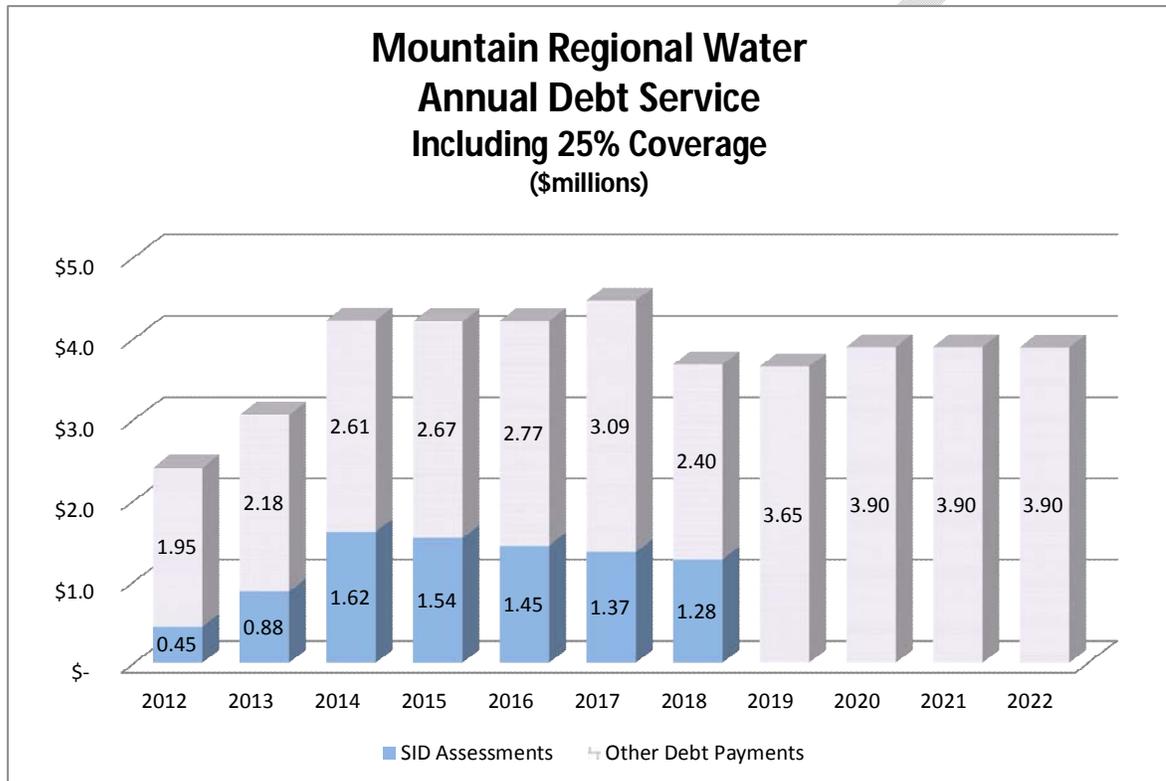
These funds can only be used to make major repairs to Lost Canyon or to replace expensive equipment. The 2013 projected year-end balance is \$75,000. The District plans to discuss with

Park City a proposal to double the monthly amount deposited by both parties into this reserve. Currently, Park City contributes \$3,719 per month; and the District \$4,749.

1.09 Increasing Debt Service Payments

As discussed in **Section 1.10** below, the District has had very healthy debt coverage the past two years. Starting in 2014, coverage will decline due to increasing annual debt service payments.

However, it is projected the District’s coverage ratio will exceed the required 1.25 in 2014 despite increasing debt service costs.



As shown above, the debt service budget (including the 1.25 coverage) for 2014 will increase \$1.17 million compared to 2013. The Promontory developer is required to pay \$739,900 of this through additional SID assessments to service the SID portion of the debt.

This remaining \$427,800 of the debt service increase will be funded with the additional cash generated from the 2011 rate increases. At the time rates were increased, sufficient funds were included to cover the 2014 debt service increase – meaning no rate increases are needed for 2014.

Note that non-SID debt increases \$1.25 million in 2019, while the first \$200,000 Weber Basin regionalization payment is due December 2019. It is possible this could lead to a significant rate increase at that time. Thought needs to be given to phasing this increase in over three years starting in 2017.

1.10 Debt Coverage Ratio

Per bond covenants, the District must budget for 1.25 debt coverage each year; meaning once all operational costs are paid, the remaining budgeted revenue must be equal to 1.25 times that year's parity bond principal and interest payments (see **Section 3.0 – 2014 Debt Service Budget**).

Due to wet weather and a decline in building activity, the District barely met its 1.25 coverage requirement in 2010 and 2011, as shown below. In fact, mid-year budgets were needed just to reach the required coverage in those years.

Rate increases and an improved building economy helped improve the debt coverage for 2012 and 2013. Coverage should remain healthy for 2014.

| | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Projected | 2014 Budget |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Water sales | \$ 4,877,176 | \$ 4,864,730 | \$ 6,226,120 | \$ 6,203,800 | \$ 6,267,100 |
| Park City Wheeling | 149,757 | 218,887 | 448,276 | 470,000 | 540,000 |
| Stagecoach Assessments | 178,750 | 213,903 | 198,751 | 174,000 | 167,700 |
| Operating fees | 143,883 | 151,616 | 153,805 | 242,000 | 224,000 |
| Impact fees | 241,308 | 242,285 | 196,067 | 550,000 | 450,000 |
| SID assessments | 454,057 | 453,020 | 499,397 | 790,000 | 1,620,000 |
| Interest available for debt service | 160,440 | 152,710 | 101,983 | 25,300 | 29,900 |
| Other non-restricted revenue | 79,780 | 53,402 | 258,786 | 58,100 | 75,000 |
| Total cash available for debt service | <u>6,285,151</u> | <u>6,350,553</u> | <u>8,083,185</u> | <u>8,513,200</u> | <u>9,373,700</u> |
| Cash operating expenses | <u>(3,554,292)</u> | <u>(3,713,304)</u> | <u>(4,506,355)</u> | <u>(4,592,400)</u> | <u>(5,084,700)</u> |
| Cash available for debt service | <u>2,730,859</u> | <u>2,637,249</u> | <u>3,576,830</u> | <u>3,920,800</u> | <u>4,289,000</u> |
| Parity debt service payments | <u>2,183,835</u> | <u>2,092,888</u> | <u>1,738,225</u> | <u>2,301,000</u> | <u>3,203,600</u> |
| Debt service coverage | <u>1.25</u> | <u>1.26</u> | <u>2.06</u> | <u>1.70</u> | <u>1.34</u> |

In fact, parity debt coverage of 1.70 is now projected for 2013; compared to a budgeted coverage of 1.46. The improvement is the result of increased development related revenue and power cost savings.

For 2014, the projected coverage is 1.34. The decrease from 2013 is due to increasing debt service costs (see **Section 1.09** above).

In addition to parity debt, the District has subordinate debt as well. Most of this is a Note Payable due to Weber Basin to reimburse it for capital costs it expended to expand the Lost Canyon project. When the subordinate loans are included, the projected 2014 debt coverage is 1.25.

It is District policy to budget for 1.25 coverage including both parity and subordinate debt. This is necessary to ensure sufficient cash flow each year to make required deposits into reserve funds; and to fund capital equipment and small projects in future years.

1.11 Cash Reserves

The District's cash and reserves (excluding debt service reserves held by the bond trustee) have slowly, but steadily improved the past 15 months. This upward trend can be attributed to the following factors:

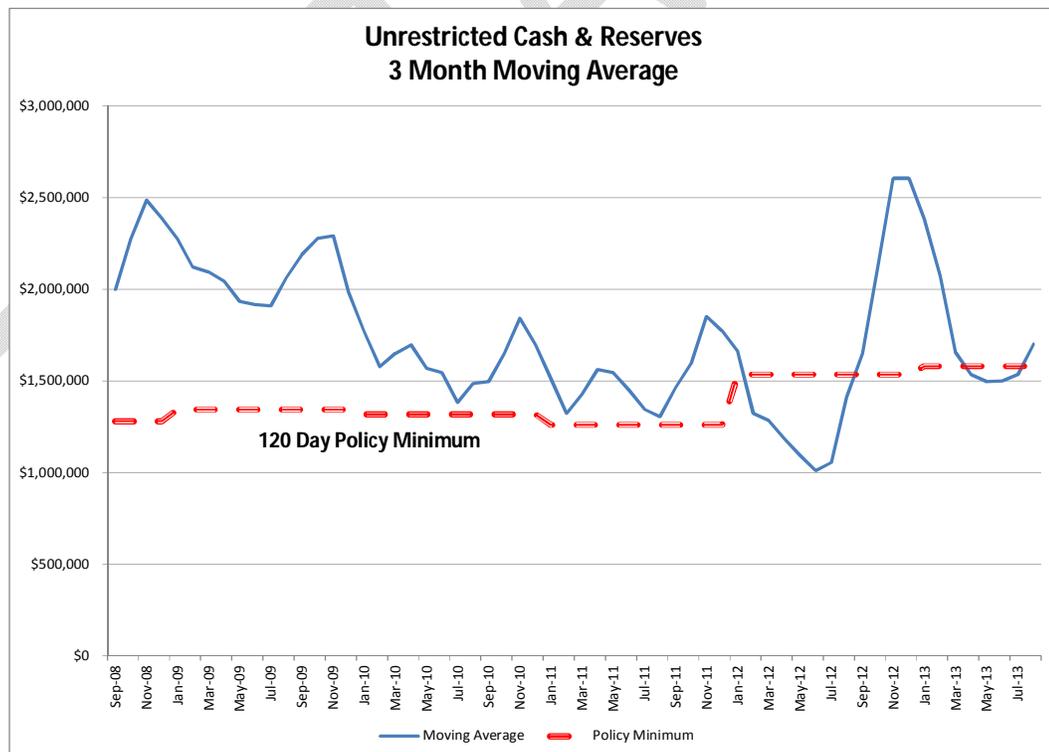
- 1) the 2011 rate increases;
- 2) the Series 2012 bond refunding;
- 3) the improving building economy; and
- 4) the power cost savings as discussed in **Section 1.06** above.

This upward trend should level off in 2014; as the District's debt service payments are scheduled to increase notably, as discussed above in **Section 1.09** above.

Debt service reserves held by the bond trustee are at required levels. They declined significantly over the past 15 months as a result of bond holders not requiring a debt service reserve for the Series 2012 bonds. This is the result of the District's improved bond rating and the establishment of the rate stabilization fund.

Unrestricted Cash and Reserves

Unrestricted cash and reserves have shown a notably increase the past 15 months, as shown below. Unrestricted cash can be spent on any District expenditure; while other restricted cash can only be used for specific purposes. This includes mostly debt reserves and bond proceeds for construction.



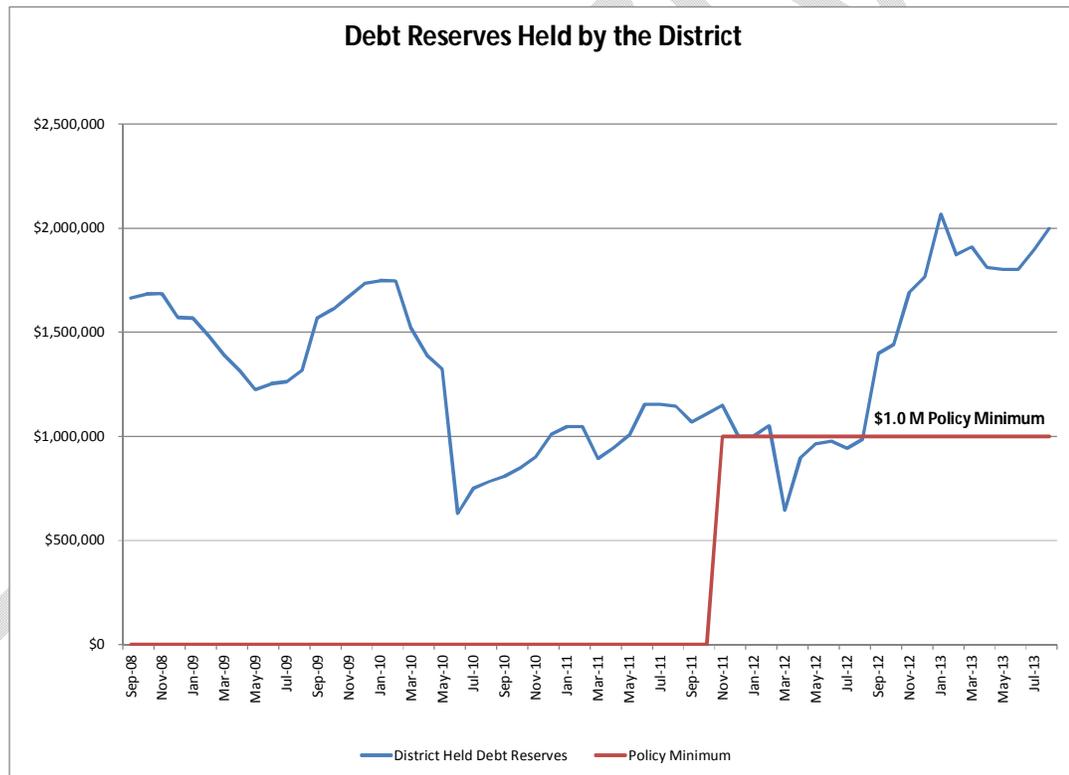
Unrestricted cash and reserves should level off in 2014 at a point where the District can maintain at least 120 days of reserves year-round, in compliance with policy.

The past two years, the District's unrestricted cash and reserves dropped below the policy level of 120 days in early summer, as winter and spring water sales are much lower than summer water sales. The District's unrestricted cash and reserves are typically at their lowest level in early summer each year.

Debt Reserves Held by the District

The District has chosen, by policy, to hold debt reserves in addition to the level of debt reserves required by bond holders and held by the bond trustee. The District made the policy decision to establish and maintain these reserves to mitigate the potential dire financial results of low water sales due to weather conditions, low building related fees which fluctuate significantly year to year, and/or unexpected large repair expenditures.

As shown below, these reserves have increased dramatically the past 15 months to \$2.0 million. This is mostly due to the policy decision made in November 2011 to maintain a minimum \$1.0 million balance in the rate stabilization reserve, as discussed in **Section 1.08** above.



This new policy helped the District issue the Series 2012 bonds without a debt service reserve fund held by the bond trustee. If a reserve had been required, it would have been nearly \$3.0 million. Thus, the decision to maintain a \$1.0 million balance in the rate stabilization fund reduced the amount of bonds issued in 2012 by roughly \$2.0 million; resulting interest expense savings.

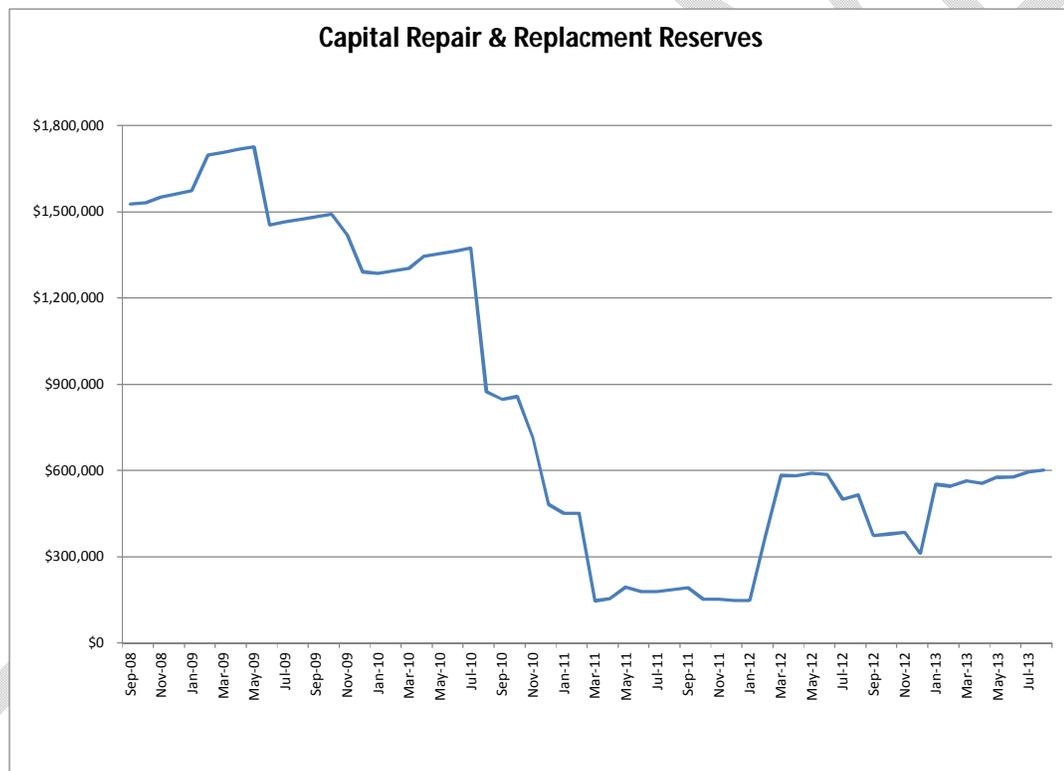
Current debt reserves held by the District includes the \$1.0 million rate stabilization balance, plus another \$1.0 million in prepaid assessments and impact fee collections in excess of budget projections. Long-term, the \$1.0 million in prepaid assessments and excess impact fee collections will be used to pay off related debt.

Capital Facility Repair & Replacement Reserves

The District was able to generously fund its capital facility repair and replacement funds during the hot, dry weather and period of strong economic growth between 2003 and 2007.

However, the cool, wet weather and slow building economy between 2008 and 2011 forced to the District to draw down nearly all these funds for critical small capital projects and equipment, as shown below.

The District’s goal is to maintain capital facility and repair funds of at least \$500,000 at the beginning of each year. However, it is likely these reserves will level off at about \$600,000 moving forward. It is important to point out that rate stabilization funds has a \$1.0 million balance available to fund unanticipated emergency facility costs; with the requirement that the funds used for the emergency be reimbursed to the rate stabilization fund over a three year period.



2014 Budgeted Cash Change

As shown on the following page, the 2014 budget projects an \$865,500 cash increase; excluding capital budget items that are being funded from cash on hand as of December 2013. The District plans to allocate this 2014 projected cash increase as follows:

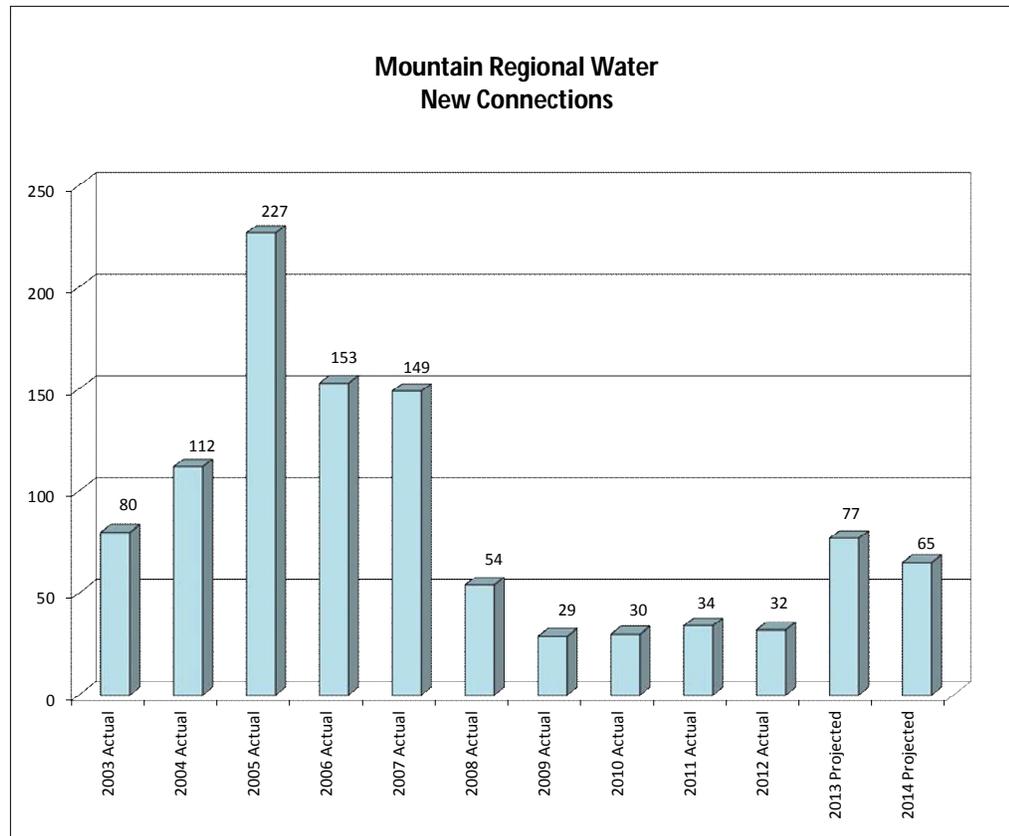
| | |
|---|-------------------|
| Required Deposits into Capital Facility Reserves | \$ 355,900 |
| Required Deposits into Treatment Plant Sinking Fund | 65,000 |
| To Bring Unrestricted Cash to Policy Level | 200,000 |
| Future Year Capital Projects | 237,600 |
| Total | \$ 858,500 |

MOUNTAIN REGIONAL WATER
2014 Operating Budget - Accrual and Cash Basis
Enterprise Fund

| | 2014 Control Board Recommended Accrual Basis | 2014 Control Board Recommended Cash Basis |
|---|---|--|
| <u>OPERATING REVENUE</u> | | |
| Water Sales | \$ 6,267,100 | \$ 6,267,100 |
| Park City Wheeling | 540,000 | 540,000 |
| Stagecoach Assessments | 167,700 | 167,700 |
| Operating Fees | 224,000 | 224,000 |
| Other | 40,000 | 40,000 |
| Total Operating Revenue | 7,238,800 | 7,238,800 |
| <u>OPERATING EXPENSES</u> | | |
| Operations | | |
| Energy & Resource Management | 351,500 | 351,500 |
| Lost Canyon Transmission | 1,343,700 | 1,343,700 |
| Treatment | 459,900 | 459,900 |
| Distribution | 2,009,300 | 2,009,300 |
| Safety | 36,100 | 36,100 |
| General Manager | | |
| Engineering & Development | 97,900 | 97,900 |
| Human Resources | 85,500 | 85,500 |
| Legal Services | 30,000 | 30,000 |
| Public Services | 387,900 | 387,900 |
| Financial Management | 282,900 | 282,900 |
| Depreciation Expense | 1,500,300 | - |
| Retirement Expense | Actual Amount | - |
| Total Operating Expense | 6,585,000 | 5,084,700 |
| OPERATING INCOME (LOSS) | 653,800 | 2,154,100 |
| <u>NON-OPERATING REVENUE</u> | | |
| Interest Earnings - Available for Debt Service | 29,900 | 29,900 |
| Interest Earnings - Not Available for Debt Service | 500 | - |
| Impact Fees | 450,000 | 450,000 |
| Assessments | 1,620,000 | 1,620,000 |
| Cash Grants | - | - |
| Other Cash Non-operating Revenue | 35,000 | 35,000 |
| Non-Cash Non-operating Revenue | 11,700 | - |
| Total Non-Operating Revenue | 2,147,100 | 2,134,900 |
| <u>NON-OPERATING EXPENSE</u> | | |
| Interest Expense/Bank Fees | 1,466,000 | 1,551,000 |
| Bond Principal Payments | - | 1,879,500 |
| Bond Issuance Expenses | 17,500 | - |
| Total Non-Operating Expense | 1,483,500 | 3,430,500 |
| NON-OPERATING INCOME (LOSS) | 663,600 | (1,295,600) |
| CHANGE IN NET POSITION (NET INCOME BEFORE TRANSFERS) | 1,317,400 | 858,500 |
| <u>TRANSFERS</u> | | |
| Contingency | - | - |
| Governmental Transfers | - | - |
| Contributions in Aid of Construction | - | - |
| NET TRANSFERS | - | - |
| CHANGE IN NET POSITION (NET INCOME AFTER TRANSFERS) | \$ 1,317,400 | \$ 858,500 |

1.12 Impact of Economy on Customer Growth

As shown below, a moderate rebound in new construction units occurred in 2013. This follows four years of lower new units the District experienced after the initial banking crisis in 2008.



The District's 2014 projection for new units is 65, which is a dozen less than is now projected for 2013. Further, District is currently in discussion with four developers, and one small water company is evaluating annexation into the District.

It generally takes 12 to 24 months before new construction units begin consuming water, and generating water sales.

It should be pointed out that the District currently has \$800,821 in impact fee cash reserves that can be used if the uptick in the building economy is not sustained through 2014.

1.13 Revenue Trends

Following three straight years of sluggish revenue collections due to the economic downturn and cool, wet weather; the District experienced a turnaround in 2012.

The District now projects total revenue will exceed budget by \$290,800 or 3.5% in 2013, as shown below. The turnaround is the result of rate increases; return to more normal water sales levels based upon weather conditions, and an improving building economy as discussed in **Section 1.12** above.

| MOUNTAIN REGIONAL WATER Revenue History | | | | | | | |
|--|-----------------------------------|------------------------|---------------------------|------------------------------------|---|--|---|
| | 2011 Actual | 2012 Actual | 2013 Projected | 2013 Adopted Budget | 2014 Control Board Recommend | 2014 Recommended to 2013 Budget | 2014 Recommended to 2013 Projected |
| CASH REVENUE (Less Grants) | | | | | | | |
| Operating Revenue | | | | | | | |
| Water Sales | \$ 4,864,731 | \$ 6,226,121 | \$ 6,203,800 | \$ 6,190,100 | \$ 6,267,100 | \$ 77,000 | \$ 63,300 |
| Park City Wheeling | 218,887 | 448,276 | 470,000 | 572,000 | 540,000 | (32,000) | 70,000 |
| Stagecoach Assessment | 213,903 | 198,751 | 174,000 | 178,400 | 167,700 | (10,700) | (6,300) |
| Operating Fees | 151,616 | 153,805 | 242,000 | 144,500 | 224,000 | 79,500 | (18,000) |
| Other Operating | 48,279 | 236,215 | 50,000 | 35,000 | 40,000 | 5,000 | (10,000) |
| Subtotal | 5,497,416 | 7,263,168 | 7,139,800 | 7,120,000 | 7,238,800 | 118,800 | 99,000 |
| Non-operating Revenue | | | | | | | |
| Interest Earnings | 153,162 | 102,678 | 25,500 | 31,100 | 30,400 | (700) | 4,900 |
| Impact Fees | 242,285 | 196,067 | 550,000 | 230,000 | 450,000 | 220,000 | (100,000) |
| Special Assessments | 453,020 | 499,397 | 790,000 | 790,000 | 1,620,000 | 830,000 | 830,000 |
| Other Non-operating | 5,124 | 22,563 | 8,100 | 10,000 | 35,000 | 25,000 | 26,900 |
| Subtotal | 853,591 | 820,705 | 1,373,600 | 1,061,100 | 2,135,400 | 1,074,300 | 761,800 |
| TOTAL CASH REVENUE (Less Grants) | \$ 6,351,007 | \$ 8,083,873 | \$ 8,513,400 | \$ 8,181,100 | \$ 9,374,200 | \$ 1,193,100 | \$ 860,800 |
| OTHER REVENUE | | | | | | | |
| Cash Grants | - | - | - | - | - | - | - |
| Non-Cash Amortization | 11,667 | 11,667 | 11,700 | 53,200 | 11,700 | (41,500) | - |
| OTHER REVENUE | \$ 11,667 | \$ 11,667 | \$ 11,700 | \$ 53,200 | \$ 11,700 | \$ (41,500) | \$ - |
| TOTAL REVENUE | \$ 6,362,674 | \$ 8,095,540 | \$ 8,525,100 | \$ 8,234,300 | \$ 9,385,900 | \$ 1,151,600 | \$ 860,800 |
| | 2013 Projected Increase to Budget | | | \$ 290,800 | 3.5% | | |

For 2014, operating revenue is projected to increase \$118,800 over the 2013 budget.

Water Sales are projected to be \$77,000 more than budgeted for 2013 due to modest customer growth. For 2013, District sales projections were based upon normal weather; and through early fall sales were \$93,358 ahead of projections; despite the rainy weather the last part of summer.

Water Sales projections for 2014 are based upon normal weather.

Operating Fees (including connection fees) in 2014 are projected to increase by \$79,500 over the 2013 budget – which is 67.5%. However, the 2014 projection is less than the fees that will likely be collected in 2013.

Further, with four developers currently talking to the District, the potential exists for even higher connection fees in 2014.

Non-operating revenue is projected to increase \$1.07 million over the 2013 budget. This reflects an increase in *SID Assessment* collections related to the Promontory development. The Promontory developer has contractual commitments to pay this increase in assessments to pay off related SID debt. The District has the right to quickly foreclose on any developer owned

property in Promontory if the developer does not pay. To date, the developer has made all required assessment payments, even during the economic downturn and its bankruptcy.

Further, development related fee collections improved significantly in 2013 due to a modest recovery in the housing market. It is projected that *Impact Fee* collections for 2014 will be will \$450,000 – which is \$100,000 less than the 2013 projected amount of \$550,000.

As mentioned above, the District currently has \$800,821 in impact fee cash reserves that can be used if the uptick in the building economy is not sustained through 2014.

1.14 Staffing

No change in long-term District Full-time Equivalent employees (FTEs) is requested for 2014; although one part-time position will be transitioned to a full-time position in order to address the new state procurement code, as well as create a situation where the backup for the Chief Financial Officer can be trained. There may be some overlap in staffing in 2013 during this transition.

1.15 Compensation

For the three year period ending in 2012, the District gave only a combined 2.0% in Merit increases. Last year, the Council approved a 2.0% COLA and 1.5% Merit.

For 2014, the District has allocated 4.0% for pay increases based solely upon performance. However, the District recommends its employees be given the same level of increase, on average, as county employees.

1.16 Wellness Program

The District implemented a wellness program in 2013 to help employees improve their health, and hopefully reduce future medical claims for the Summit County insurance pool.

Employees are given a financial incentive to participate actively in the program. Employees who participate and meet four of five biometric targets will only be required to pay 5.0% of their monthly health insurance premiums; while those who do not meet the biometric targets will pay 10%.

The biometric targets are:

- | | | | |
|----|---------------------|---|--------|
| 1) | A1c | < | 7.0% |
| 2) | Blood Pressure | < | 140/90 |
| 3) | Cholesterol | | |
| | Total | < | 200 |
| | LDL | < | 130 |
| 4) | Waist Circumference | | |
| | Men | < | 40" |
| | Women | < | 35" |
| 5) | Non-smoker | | |

2.0 2014 OPERATING BUDGET

2.01 Summary

As shown below, projected 2014 *Net Income after Transfers* is \$1.32 million on an accrual basis.

| MOUNTAIN REGIONAL WATER | | | | | |
|---|---------------------|---------------------------|---------------------------|--------------------------------------|--------------------------------------|
| 2014 Operating Budget - Accrual Basis | | | | | |
| Enterprise Fund | | | | | |
| | 2012 Actual | 2013 Adopted Budget | 2013 Amended Budget | 2014 Control Board Recommended | 2014 Recommend to 2013 Adopted |
| <u>OPERATING REVENUE</u> | | | | | |
| Water Sales | \$ 6,226,121 | \$ 6,190,100 | \$ 6,190,100 | \$ 6,267,100 | 77,000 |
| Park City Wheeling | 448,276 | 572,000 | 572,000 | 540,000 | (32,000) |
| Stagecoach Assessments | 198,751 | 178,400 | 178,400 | 167,700 | (10,700) |
| Operating Fees | 153,805 | 144,500 | 144,500 | 224,000 | 79,500 |
| Other | 236,215 | 35,000 | 35,000 | 40,000 | 5,000 |
| Total Operating Revenue | 7,263,168 | 7,120,000 | 7,120,000 | 7,238,800 | 118,800 |
| <u>OPERATING EXPENSES</u> | | | | | |
| Operations | | | | | |
| Energy & Resource Management | 323,309 | 346,900 | 346,900 | 351,500 | 4,600 |
| Lost Canyon Transmission | 1,085,581 | 1,374,400 | 1,374,400 | 1,343,700 | (30,700) |
| Treatment Plant | 642,992 | 452,600 | 452,600 | 459,900 | 7,300 |
| Distribution | 1,762,278 | 1,865,900 | 1,865,900 | 2,009,300 | 143,400 |
| Safety | 26,685 | 25,600 | 25,600 | 36,100 | 10,500 |
| General Manager | | | | | |
| Engineering & Development | 92,535 | 93,600 | 93,600 | 97,900 | 4,300 |
| Human Resources | 36,138 | 46,800 | 46,800 | 85,500 | 38,700 |
| Legal Services | 4,805 | 30,000 | 30,000 | 30,000 | - |
| Public Services | 330,663 | 348,800 | 348,800 | 387,900 | 39,100 |
| Financial Management | 201,364 | 231,300 | 231,300 | 282,900 | 51,600 |
| Depreciation Expense | 1,412,111 | 1,470,300 | 1,470,300 | 1,500,300 | 30,000 |
| Retirement Expense | - | - | - | Actual Amount | n/a |
| Total Operating Expense | 5,918,461 | 6,286,200 | 6,286,200 | 6,585,000 | 298,800 |
| OPERATING INCOME (LOSS) | 1,344,707 | 833,800 | 833,800 | 653,800 | (180,000) |
| <u>NON-OPERATING REVENUE</u> | | | | | |
| Interest Earnings - Available for Debt Service | 101,985 | 30,600 | 30,600 | 29,900 | (700) |
| Interest Earnings - Not Available for Debt Service | 693 | 500 | 500 | 500 | - |
| Impact Fees | 196,067 | 230,000 | 230,000 | 450,000 | 220,000 |
| Assessments | 499,397 | 790,000 | 790,000 | 1,620,000 | 830,000 |
| Cash Grants | - | - | - | - | - |
| Other Cash Non-operating Revenue | 22,563 | 10,000 | 10,000 | 35,000 | 25,000 |
| Non-Cash Non-operating Revenue | 11,667 | 53,200 | 53,200 | 11,700 | (41,500) |
| Total Non-Operating Revenue | 832,372 | 1,114,300 | 1,114,300 | 2,147,100 | 1,032,800 |
| <u>NON-OPERATING EXPENSE</u> | | | | | |
| Interest Expense/Bank Fees | 1,689,534 | 1,573,300 | 1,573,300 | 1,466,000 | (107,300) |
| Amortization Expense | 1,107,774 | 72,000 | 72,000 | 17,500 | (54,500) |
| Total Non-Operating Expense | 2,797,308 | 1,645,300 | 1,645,300 | 1,483,500 | (161,800) |
| NON-OPERATING INCOME (LOSS) | (1,964,936) | (531,000) | (531,000) | 663,600 | 1,194,600 |
| CHANGE IN NET POSITION (NET INCOME BEFORE TRANSFERS) | (620,229) | 302,800 | 302,800 | 1,317,400 | 1,014,600 |
| <u>TRANSFERS</u> | | | | | |
| Contributions in Aid of Construction | 369,677 | - | - | - | - |
| NET TRANSFERS | 369,677 | - | - | - | - |
| CHANGE IN NET POSITION (NET INCOME AFTER TRANSFERS) | \$ (250,552) | \$ 302,800 | \$ 302,800 | \$ 1,317,400 | \$ 1,014,600 |

If non-cash *Depreciation, Amortization, and other non-cash items* are excluded, the District anticipates it will generate \$858,500 in cash from operations in 2014, as discussed above in **Section 1.11** above.

The District's 2014 *Operating Budget* is discussed by each of the following five components below:

1. Operating Revenue
2. Operating Expense
3. Non-operating Revenue
4. Non-operating Expense
5. Transfers

2.02 Operating Revenue

The District is projecting 2014 *Operating Revenue* of nearly \$7.24 million, which is 1.7% or \$118,800 more than was budgeted for 2013, as shown below.

| | Operating Revenue | | | | | | |
|--------------------------------|---------------------|---------------------|---------------------------|---------------------|--------------------------------------|--|---|
| | 2011 Actual | 2012 Actual | 2013 Adopted Budget | 2013 Projection | 2014 Control Board Recommended | 2014 Recommended to 2013 Budget \$ Change | 2014 Recommended to 2013 Budget % Change |
| Water Sales | \$ 4,864,731 | \$ 6,226,121 | \$ 6,190,100 | \$ 6,203,800 | \$ 6,267,100 | \$ 77,000 | 1.2 % |
| Park City Wheeling Fees | 218,887 | 448,276 | 572,000 | 470,000 | 540,000 | (32,000) | (5.6) |
| Stagecoach Assessments | 213,903 | 198,751 | 178,400 | 174,000 | 167,700 | (10,700) | (6.0) |
| Operating Fees | 151,616 | 153,805 | 144,500 | 242,000 | 224,000 | 79,500 | 55.0 |
| Other | 48,279 | 236,215 | 35,000 | 50,000 | 40,000 | 5,000 | 14.3 |
| Total Operating Revenue | \$ 5,497,416 | \$ 7,263,168 | \$ 7,120,000 | \$ 7,139,800 | \$ 7,238,800 | \$ 118,800 | 1.7 % |

An increase of \$77,000 or 1.2% is projected for 2014 *Water Sales* due to modest customer growth. For 2013, the District budgeted for normal weather and it expects to meet or exceed projections; as the summer was hotter than normal, but late summer and the fall experienced rainy weather.

For 2014, *Water Sales* are based upon normal weather.

Operating Fees (including connection fees) are projected to increase by \$79,500 in 2014 over the 2013 budget, a 55.0% increase. This projection is slightly lower than anticipated 2013 collections.

For the 2014, the District projects moderate development growth once again; as several developers started talking to the District in 2013 about water service to new developments – the first time since 2008 that developers have contacted the District. As such, there may be upside potential in *Operating Fees* collections in 2014.

2.03 Operating Expense

The 2014 *Operating Expense* budget is \$6.58 million, which is \$298,800 or 4.8% higher than budgeted for 2013, as shown below. The 4.0% set aside for pay increases represents \$74,100 or about one-fourth of this.

Operations accounts for \$135,100 of this increase. Additional funds are budgeted in 2014 for repairs and maintenance; plus two operators hired mid-year 2013 are budgeted for a full year.

| Mountain Regional Water Operating Expense Summary | | | | | | | |
|--|---------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|--|---|
| | 2011 Actual | 2012 Actual | 2013 Adopted Budget | 2013 Projection | 2014 Control Board Recommended | 2014 Recommended to 2013 Budget \$ Change | 2014 Recommended to 2013 Budget % Change |
| Operations | | | | | | | |
| Energy & Resource Management | \$ 292,520 | \$ 323,309 | \$ 346,900 | \$ 346,900 | \$ 351,500 | \$ 4,600 | |
| Lost Canyon Transmission | 1,052,059 | 1,085,581 | 1,374,400 | 1,204,500 | 1,343,700 | (30,700) | |
| Treatment Plant | 111,103 | 642,992 | 452,600 | 391,500 | 459,900 | 7,300 | |
| Distribution | 1,516,033 | 1,762,278 | 1,865,900 | 1,862,200 | 2,009,300 | 143,400 | |
| Safety | 20,920 | 26,685 | 25,600 | 37,600 | 36,100 | 10,500 | |
| Subtotal Operations | 2,992,635 | 3,840,845 | 4,065,400 | 3,842,700 | 4,200,500 | 135,100 | 3.3 % |
| General Manager | | | | | | | |
| Engineering & Development | 88,197 | 92,535 | 93,600 | 93,600 | 97,900 | 4,300 | |
| Human Resources | 21,442 | 36,138 | 46,800 | 46,800 | 85,500 | 38,700 | |
| Legal Services | 18,180 | 4,805 | 30,000 | 30,000 | 30,000 | - | |
| Public Services | 391,692 | 330,663 | 348,800 | 349,200 | 387,900 | 39,100 | |
| Financial Management | 201,158 | 201,364 | 231,300 | 230,100 | 282,900 | 51,600 | |
| Subtotal Other Departments | 720,669 | 665,505 | 750,500 | 749,700 | 884,200 | 133,700 | 17.8 % |
| Depreciation Expense | 1,359,634 | 1,412,111 | 1,470,300 | 1,470,300 | 1,500,300 | 30,000 | |
| Retirement Expense | - | - | - | - | Actual Amount | n/a | |
| Non-Cash Expenses | 1,359,634 | 1,412,111 | 1,470,300 | 1,470,300 | 1,500,300 | 30,000 | 2.0 % |
| Total Operating Expense | \$ 5,072,938 | \$ 5,918,461 | \$ 6,286,200 | \$ 6,062,700 | \$ 6,585,000 | \$ 298,800 | 4.8 % |
| | | | 2013 Projected Budget Savings | \$ (223,500) | -3.6% | | |

Other Departments accounts for \$133,700 of the increase. In *Public Services* the \$39,100 increase is largely due to the transfer of a part-time operator from *Operations* to provide more manpower on service orders and PRV inspections.

The increases in both *Human Resources* and *Financial Management* are the result of the transition of the part-time position with a higher level full-time position with full benefits. This change was necessary to help address the new state procurement code, and to train the future replacement for the Chief Financial Officer. The cost of the new wellness program and the addition of Obamacare taxes contributed to the increase in *Human Resources*.

As shown above, 2013 *Operating Expense* is projected to be \$223,500 or 3.6% under budget. Most of this is from power cost savings realized by the District for managing its water production to avoid higher on-peak rates.

2.04 Non-operating Revenue

As shown below, the District's 2014 *Non-operating Revenue* budget is \$2.15 million, which is \$1.03 million - or 74.6% - more than for 2013.

For 2014, the **contractually required** *SID Assessment* payments due from the Promontory developer increase \$830,000. The District has the ability to quickly foreclose on developer owned property in Promontory if it fails to pay the higher *SID Assessments*.

| Non-operating Revenue | | | | | | | | |
|--|-------------------|-------------------|---------------------|---------------------|---------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted Budget | Projection | Control Board Recommended | Recommended to 2013 Budget \$ Change | Recommended to 2013 Budget % Change | Recommended to 2013 Budget % Change |
| Interest Earnings - Available for Debt Service | \$ 152,710 | \$ 101,985 | \$ 30,600 | \$ 25,300 | \$ 29,900 | \$ (700) | (2.8) | |
| Interest Earnings - Not Available for Debt Service | 452 | 693 | 500 | 200 | 500 | - | - | |
| Impact Fees | 242,285 | 196,067 | 230,000 | 550,000 | 450,000 | 220,000 | 40.0 | |
| Assessments | 453,020 | 499,397 | 790,000 | 790,000 | 1,620,000 | 830,000 | 105.1 | |
| Cash Grants | - | - | - | - | - | - | n/a | |
| Other Cash Non-operating Revenue | 5,124 | 22,563 | 10,000 | 8,100 | 35,000 | 25,000 | 308.6 | |
| Non-Cash Non-operating Revenue | 11,667 | 11,667 | 53,200 | 11,700 | 11,700 | (41,500) | (354.7) | |
| Total Non-operating Revenue | \$ 865,258 | \$ 832,372 | \$ 1,114,300 | \$ 1,385,300 | \$ 2,147,100 | \$ 1,032,800 | 74.6 | % |

As discussed above, development related fee collections improved significantly in 2013 due to a modest recovery in the housing market. It is projected that *Impact Fee* collections for 2014 will be \$220,000 more than budgeted for 2013; but \$100,000 less than is currently projected for 2013.

Once again, the District currently has \$800,821 in impact fee cash reserves that can be used if the uptick in the building economy is not sustained through 2014.

As mentioned above, several developers started talking to the District in 2013 about water service to new developments – the first time since 2008 that developers have contacted the District. As such, there may be upside potential in *Impact Fee* collections in 2014.

2.05 Non-operating Expense

Non-operating Expense consists of *Interest Expense / Bank Fees* and the non-cash *Amortization Expense* of bond insurance costs over the duration of the related bonds. The 2014 *Non-operating Expense* budget is \$1.48 million, which is \$161,800 or 9.8% less than for 2013. *Interest Expense* is declining modestly as the amount of bonds on which interest is paid is slowly dropping.

| Non-operating Expense | | | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted Budget | Projection | Control Board Recommended | Recommended to 2013 Budget \$ Change | Recommended to 2013 Budget % Change | Recommended to 2013 Budget % Change |
| Interest Expense / Bank Fees | \$ 1,890,340 | \$ 1,689,534 | \$ 1,573,300 | \$ 1,531,800 | \$ 1,466,000 | \$ (107,300) | (6.8) | |
| Amortization Expense | 46,266 | 1,107,774 | 72,000 | 20,000 | 17,500 | (54,500) | (75.7) | |
| Total Non-operating Expense | \$ 1,936,606 | \$ 2,797,308 | \$ 1,645,300 | \$ 1,551,800 | \$ 1,483,500 | \$ (161,800) | (9.8) | % |

Amortization Expense is declining due to the accounting change regarding bond issuance costs as discussed in **Section 1.03** above.

2.06 Transfers

Although the District may receive subdivision infrastructure donations from developers in 2014, no amount is budgeted since the value of the potential *Contributions-in-Aid of Construction* is not known.

| Transfers | | | | | | | |
|--------------------------------------|---------------------|-------------------|-------------|-------------------|---------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2013 | 2014 | 2014 | 2014 |
| | Actual | Actual | Adopted | Projection | Control Board | Recommended to | Recommended to |
| | | | Budget | | Recommended | 2013 Budget | 2013 Budget |
| | | | | | | \$ Change | % Change |
| Contingency | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Governmental Transfers | 1,353,531 | - | - | - | - | - | - |
| Contributions in Aid of Construction | 722,212 | 369,677 | - | 173,200 | - | - | - |
| Total Transfers | \$ 2,075,743 | \$ 369,677 | \$ - | \$ 173,200 | \$ - | \$ - | - % |

Developers building within the District are required to pay for their own subdivision infrastructure; and then donate the related water assets to the District at the time the District approves them for use.

These are non-cash transfers that increase net income the year they are made, but not cash flow. In future years these transfers increase non-cash *Depreciation Expense*, and require operation, maintenance and repairs by the District; thereby reducing future net income and cash flow.

TENTATIVE

3.0 2014 DEBT SERVICE BUDGET

For 2014, the District projects a debt coverage ratio of 1.34 when only parity revenue bonds are included. As discussed in **Section 1.10** above, this ratio is required to meet or exceed 1.25 to comply with bond covenants.

However, it is District policy to budget to meet or exceed the 1.25 requirement when all bonds, including subordinated debt, are included. This is necessary in order to generate sufficient cash to make required deposits to reserves and to fund future capital equipment and small projects. For 2014, this ratio is projected to be 1.25.

| MOUNTAIN REGIONAL WATER | |
|---|---------------------|
| 2014 Debt Service Budget - Cash Basis | |
| (Excludes Rate Stabilization Fund) | |
| 2014 | |
| Control Board | |
| COVERAGE CALCULATION FOR PARITY REVENUE BONDS | |
| Operating Income (Loss) | \$ 653,800 |
| Add Back Depreciation | 1,500,300 |
| Add in Interest Available for Debt Service | 29,900 |
| Add In Impact Fees | 450,000 |
| Add In SID Assessments | 1,620,000 |
| Add in Other Non-operating Income | 35,000 |
| Total Available For Debt Service | \$ 4,289,000 |
| TOTAL DEBT COVERAGE | |
| Required Coverage Principal | \$ 1,879,500 |
| Required Coverage Interest/Bank Fees | 1,551,000 |
| Total Required Debt Service | 3,430,500 |
| Debt Service X 1.25 | \$ 4,288,200 |
| Required Debt Coverage Ratio | 1.25 |
| REQUIRED PARITY BOND DEBT COVERAGE | |
| Parity Bond Principal | \$ 1,783,000 |
| Parity Bond Interest | 1,420,600 |
| Total Parity Debt Service | 3,203,600 |
| Debt Service X 1.25 | \$ 4,004,600 |
| Parity Debt Coverage Ratio | 1.34 |
| Total Cash Generated from Operations | \$ 858,500 |
| Appropriation to Capital Facilities Repair & Replacement Funds | \$ 355,900 |
| Appropriation to Treatment Plant Sinking Fund | 65,000 |
| To Bring Operating Reserves to Level Outlined in District Policy | 200,000 |
| Total Cash Appropriations | \$ 620,900 |
| Unallocated Portion of Cash Increase | \$ 237,600 |

A 1.25 projected coverage ratio for all debt would result in an \$858,500 increase in cash in 2014, excluding cash spent on capital equipment and projects. The District plans to allocate this cash increase as shown at the bottom of the table above.

These ratios do not include the rate stabilization fund in 2014, as the District's policy is to budget for a ratio of 1.25 from the current year cash flow. There are two instances when the District will include the rate stabilization fund in its budget for debt coverage calculations:

- 1) Every few years, treatment plant maintenance costs will be higher than most years as expensive membranes need to be replaced in 8 to 10 year cycles, and not evenly over the ten year period; and
- 2) Promontory lots sales will exceed projections in some years, and fall below projections other years. The related SID assessments collected during the years with higher lots sales will be deposited into the rate stabilization fund, and then included in debt coverage calculations in years that lots sales are below projections.

As discussed in more detail in **Section 1.08** above, the rate stabilization funds have the following projected year-end balances for 2013:

Rate Stabilization Fund – Bond Reserves - \$1.06 million

Rate Stabilization Fund – Treatment Plant Operations – \$65,000

Rate Stabilization Fund - Expanded Lost Creek Canyon Repair and Replacement – \$75,000

4.0 CAPITAL BUDGET

The District is requesting \$773,400 in new capital spending authorization for 2014, as shown below.

The ongoing Summit Park restoration project budget of \$375,000 represents nearly one-half of the new 2014 request. The Summit Park project is being done in conjunction with Summit County and the Snyderville Basin Water Reclamation District. This project is allowing the District to replace leaking water main lines at a lower cost than would be the case if the District was doing this project on its own.

Since District employees spend a portion of their time working on, or managing capital projects, the District capitalizes some personnel costs. For 2014, the budget includes \$222,500 for this purpose.

The remaining \$175,900 of the new request will fund capital equipment, electrical upgrades, pump redundancy, and pressure regulating valves (PRVs). The District's list of small capital project needs exceeds this amount – but that is the amount of funding available.

As such, only the most critical needs are being addressed; although the capital needs not funded do not represent a high risk to the District. Further, there are capital facility reserves in excess of \$600,000 that are available for unexpected critical needs.

| Mountain Regional Water Capital Budget | | | | | | | |
|---|---------------------------|-----------------------------|---------------------------|------------------------------|---|-------------------------|--------------------------------|
| | 2013 Adopted Budget | 2013 Projected Actual | 2013 Budget Savings | 2013 Savings Carryover | Control Board Recommended Increases | 2014 Total Budget | 2013 & 2014 Total Budget |
| CASH SOURCES | | | | | | | |
| 2013 Budget Carryover | | | | \$ 376,600 | \$ - | | |
| 2013 Cash Available for 2014 Capital Budget | | | | | 373,400 | | |
| Capital Facility Reserves | | | | | 200,000 | | |
| Impact Fees (to debt service) | | | | | 200,000 | | |
| TOTAL SOURCES | | | | \$ 376,600 | \$ 773,400 | | |
| CASH USES | | | | | | | |
| Completed Projects | 1,953,590 | 1,953,590 | - | - | n/a | n/a | n/a |
| Northridge Pumping Capacity | 125,000 | 50,000 | 75,000 | 75,000 | - | 75,000 | 125,000 |
| Summit Park Restoration with Summit County | - | - | - | - | 375,000 | 375,000 | 375,000 |
| Capitalized Personnel Costs | 213,100 | 213,100 | - | - | 222,500 | 222,500 | 435,600 |
| Other Improvements & Equipment | 321,633 | 110,000 | 211,633 | 211,600 | 175,900 | 387,500 | 497,500 |
| Contingency | 90,039 | - | 90,039 | 90,000 | - | 90,000 | 90,000 |
| TOTAL USES | \$ 2,703,362 | \$ 2,326,690 | \$ 376,672 | \$ 376,600 | \$ 773,400 | \$ 1,150,000 | \$ 1,523,100 |

The District typically funds small capital projects up to \$500,000 using cash generated in previous years.

Medium sized capital projects between \$500,000 and \$3.0 million are typically funded by issuing small bonds directly to the State of Utah. These loans offer low interest rates over twenty years. The District expects to issue a small state bond every three to five years, as needed.

Large capital projects in excess of \$3.0 million typically require the issuance of market bonds. The District does not anticipate a need to issue market bonds; as no major capital projects are anticipated long-term.

Using bond proceeds to fund medium and large capital projects ensures that the existing rate payers won't be burdened by paying the full cost of infrastructure that will benefit future customers.

TENTATIVE

5.0 2013 BUDGET AMENDMENTS

5.01 2013 OPERATING BUDGET

No 2013 budget amendments are needed, as all expenditure budgets should be below budget.

| MOUNTAIN REGIONAL WATER | | | | | | | |
|---|---------------------|---------------------|-------------------|-------------------|------|---------------------|-----------------------|
| 2013 Amended Operating Budget - Accrual Basis | | | | | | | |
| Enterprise Fund | | | | | | | |
| | 2011 | 2012 | 2013 | 2013 | 2013 | 2013 | 2013 |
| | Actual | Actual | Adopted Budget | Amended Budget | | Projection | Projection to Adopted |
| OPERATING REVENUE | | | | | | | |
| Water Sales | \$ 4,864,731 | \$ 6,226,121 | \$ 6,190,100 | \$ 6,190,100 | | \$ 6,203,800 | \$ 13,700 |
| Park City Wheeling | 218,887 | 448,276 | 572,000 | 572,000 | | 470,000 | (102,000) |
| Stagecoach Assessment | 213,903 | 198,751 | 178,400 | 178,400 | | 174,000 | (4,400) |
| Operating Fees | 151,616 | 153,805 | 144,500 | 144,500 | | 242,000 | 97,500 |
| Contract Maintenance | - | - | - | - | | - | - |
| Other | 48,279 | 236,215 | 35,000 | 35,000 | | 50,000 | 15,000 |
| Total Operating Revenue | 5,497,416 | 7,263,168 | 7,120,000 | 7,120,000 | | 7,139,800 | 19,800 |
| OPERATING EXPENSES | | | | | | | |
| Operations Management | | | | | | | |
| Energy & Resource Management | 292,520 | 323,309 | 346,900 | 346,900 | | 346,900 | - |
| Distribution | 1,516,033 | 1,762,278 | 1,865,900 | 1,865,900 | | 1,862,200 | (3,700) |
| Lost Canyon Transmission | 1,052,059 | 1,085,581 | 1,374,400 | 1,374,400 | | 1,204,500 | (169,900) |
| Treatment Plant | 111,103 | 642,992 | 452,600 | 452,600 | | 391,500 | (61,100) |
| Safety | 20,920 | 26,685 | 25,600 | 25,600 | | 37,600 | 12,000 |
| General Manager | | | | | | | |
| Engineering & Development | 88,197 | 92,535 | 93,600 | 93,600 | | 93,600 | - |
| Human Resources | 21,442 | 36,138 | 46,800 | 46,800 | | 46,800 | - |
| Legal Services | 18,180 | 4,805 | 30,000 | 30,000 | | 30,000 | - |
| Public Services | 391,692 | 330,663 | 348,800 | 348,800 | | 349,200 | 400 |
| Financial Management | 201,158 | 201,364 | 231,300 | 231,300 | | 230,100 | (1,200) |
| Depreciation Expense | 1,359,634 | 1,412,111 | 1,470,300 | 1,470,300 | | 1,470,300 | - |
| Total Operating Expense | 5,072,938 | 5,918,461 | 6,286,200 | 6,286,200 | | 6,062,700 | (223,500) |
| OPERATING INCOME (LOSS) | 424,478 | 1,344,707 | 833,800 | 833,800 | | 1,077,100 | 243,300 |
| NON-OPERATING REVENUE | | | | | | | |
| Interest Earnings - Available for Debt Service | 152,710 | 101,985 | 30,600 | 30,600 | | 25,300 | (5,300) |
| Interest Earnings - Not Available for Debt Service | 452 | 693 | 500 | 500 | | 200 | (300) |
| Impact Fees | 242,285 | 196,067 | 230,000 | 230,000 | | 550,000 | 320,000 |
| Assessments | 453,020 | 499,397 | 790,000 | 790,000 | | 790,000 | - |
| Cash Grants | 5,124 | 22,563 | 10,000 | 10,000 | | 8,100 | (1,900) |
| Other Cash Non-operating Revenue | 11,667 | 11,667 | 53,200 | 53,200 | | 11,700 | (41,500) |
| Non-Cash Non-operating Revenue | - | - | - | - | | - | - |
| Total Non-operating Revenue | 865,258 | 832,372 | 1,114,300 | 1,114,300 | | 1,385,300 | 271,000 |
| NON-OPERATING EXPENSE | | | | | | | |
| Interest Expense/Bank Fees | 1,890,340 | 1,689,534 | 1,573,300 | 1,573,300 | | 1,531,800 | (41,500) |
| Amortization Expense | 46,266 | 1,107,774 | 72,000 | 72,000 | | 20,000 | (52,000) |
| Total Non-operating Expense | 1,936,606 | 2,797,308 | 1,645,300 | 1,645,300 | | 1,551,800 | (93,500) |
| NON-OPERATING INCOME (LOSS) | (1,071,348) | (1,964,936) | (531,000) | (531,000) | | (166,500) | 364,500 |
| CHANGE IN NET POSITION (NET INCOME BEFORE TRANSFERS) | (646,870) | (620,229) | 302,800 | 302,800 | | 910,600 | 607,800 |
| TRANSFERS | | | | | | | |
| Contingency | - | - | - | - | | - | - |
| Governmental Transfers | 1,353,531 | - | - | - | | - | - |
| Contributions in Aid of Construction | 722,212 | 369,677 | - | - | | 173,200 | 173,200 |
| NET TRANSFERS | 2,075,743 | 369,677 | - | - | | 173,200 | 173,200 |
| CHANGE IN NET POSITION (NET INCOME AFTER TRANSFERS) | \$ 1,428,873 | \$ (250,552) | \$ 302,800 | \$ 302,800 | | \$ 1,083,800 | \$ 781,000 |

As shown above, the District projects *Operating Revenue* expected to be \$19,800 above budget, as higher operating fees will offset lower Park City wheeling fees.

Non-operating Revenue is projected to be \$271,000 over budget, due to higher *Impact Fee* collections that resulted from the improving building economy.

Expenses for 2013 are also projected to be \$390,000 below budget. This is due mostly to power costs savings as on-peak pumping rates were avoided by carefully managing water production. *Interest Expense* is also under budget, although most of this is due to an accounting change.

As such, 2013 projected *Change in Net Position* is now projected to be \$781,000 above budget.

TENTATIVE

5.02 2013 DEBT SERVICE BUDGET

The 2013 *Debt Service Budget* projected a 1.46 parity debt coverage ratio. It is now projected this ratio will be 1.70. This increase is largely due to increased development related revenue and power cost savings.

| MOUNTAIN REGIONAL WATER | | |
|--|------------------|--------------------|
| 2013 Debt Coverage Calculation - Cash Basis | | |
| | 2013 Budget | 2013 Projection |
| COVERAGE CALCULATION FOR PARITY REVENUE BONDS | | |
| Operating Income (Loss) | \$ 833,800 | \$ 1,077,100 |
| Add Back Depreciation | 1,470,300 | 1,470,300 |
| Add in Interest Available for Debt Service | 30,600 | 25,300 |
| Add In Impact Fees | 230,000 | 550,000 |
| Add In SID Assessments | 790,000 | 790,000 |
| Add in Other Non-operating Income | 10,000 | 8,100 |
| Deduct One-time Revenue | - | - |
| Total Available For Debt Service | 3,364,700 | 3,920,800 |
| <u>TOTAL DEBT COVERAGE</u> | | |
| Required Coverage Principal | 958,100 | 958,100 |
| Required Coverage Interest/Bank Fees | 1,577,800 | 1,577,800 |
| Total Required Debt Service | 2,535,900 | 2,535,900 |
| Debt Service X 1.25 | 3,169,900 | 3,169,900 |
| Required Debt Coverage Ratio | 1.33 | 1.55 |
| <u>REQUIRED PARITY BOND DEBT COVERAGE</u> | | |
| Parity Bond Principal | 864,000 | 864,000 |
| Parity Bond Interest | 1,437,000 | 1,437,000 |
| Total Parity Debt Service | 2,301,000 | 2,301,000 |
| Debt Service X 1.25 | 2,876,300 | 2,876,300 |
| Parity Debt Coverage Ratio | 1.46 | 1.70 |



STAFF MEMO

To: Summit County Council

From: Will Pratt, Planning & Project Manager

Subject: SBSRD-UAF Land Swap Proposal

Date: October 10, 2013

Meeting Date: October 23, 2013

Summary Request:

Review and approve recommendation from the Board of Directors of the Snyderville Basin Special Recreation District (the District) for the possible land exchange of an open space parcel jointly owned by the District and Summit County (the County), for a parcel of land owned by the Utah Athletic Foundation (UAF). Both parcels are located in the vicinity of the Utah Olympic Legacy Park.

Background:

The District and the County acquired the Kimball Junction Open Space parcels as part of the Boyer Park City Heights development approval process and a larger land swap agreement with Park City Municipal and other parties which occurred earlier this year. The District and the County are tenants in common on the parcels. The District currently owns a 63% undivided interest in the land, including KJS Lot 3, and the County owns an undivided 37% interest.

Utah Olympic Legacy Park is located near Kimball Junction and was originally constructed as a venue for the 2002 Winter Olympic Games. UAF currently manages and maintains the Olympic facilities as a non-profit entity, and has added facilities and public entertainment options to help insure the long term viability of the park.

One of the improvements UAF has been planning at the park is the addition of athlete housing. UAF recently proposed building said housing on land it was deeded by the County, but the Snyderville Basin Planning Commission was not comfortable with the location because of the impact on the visual corridor that the County would like to keep free from development. Following discussions, the County and UAF proposed an

exchange of properties to allow for the relocation of athlete housing outside of the visual corridor.

As per the proposed agreement, UAF would deed a portion of land it owns (11.31 acres of KJS Lot 5) to the District and the County, in the same ownership percentages which currently exist on KJS Lot 3. In exchange, the District and the County would deed 5.22 acres of land located on KJS Lot 3 to UAF (see attached map and plat amendment for details). A draft of the proposed exchange agreement is also attached for your review.

The land exchange would provide UAF with land located in an area adjacent to already developed facilities and suitable for residential development, while providing the District and the County with a comparatively larger parcel of open space with trail connection possibilities. The 11.31 acres is not currently developed and would be difficult terrain to build structures on. However, the District is interested in constructing a natural surface non-motorized trail through this parcel as another connection point between the Millennium Trail near Bear Hollow and existing trails around Utah Olympic Legacy Park. Such a connection would be easier to facilitate if the District owned this portion of Lot 5 outright.

The District Administrative Control Board of Directors reviewed this request at its regularly scheduled meeting held at District offices on September 11, 2013, and subsequently voted to forward a positive recommendation to the Summit County Council regarding the proposed land exchange.

Analysis:

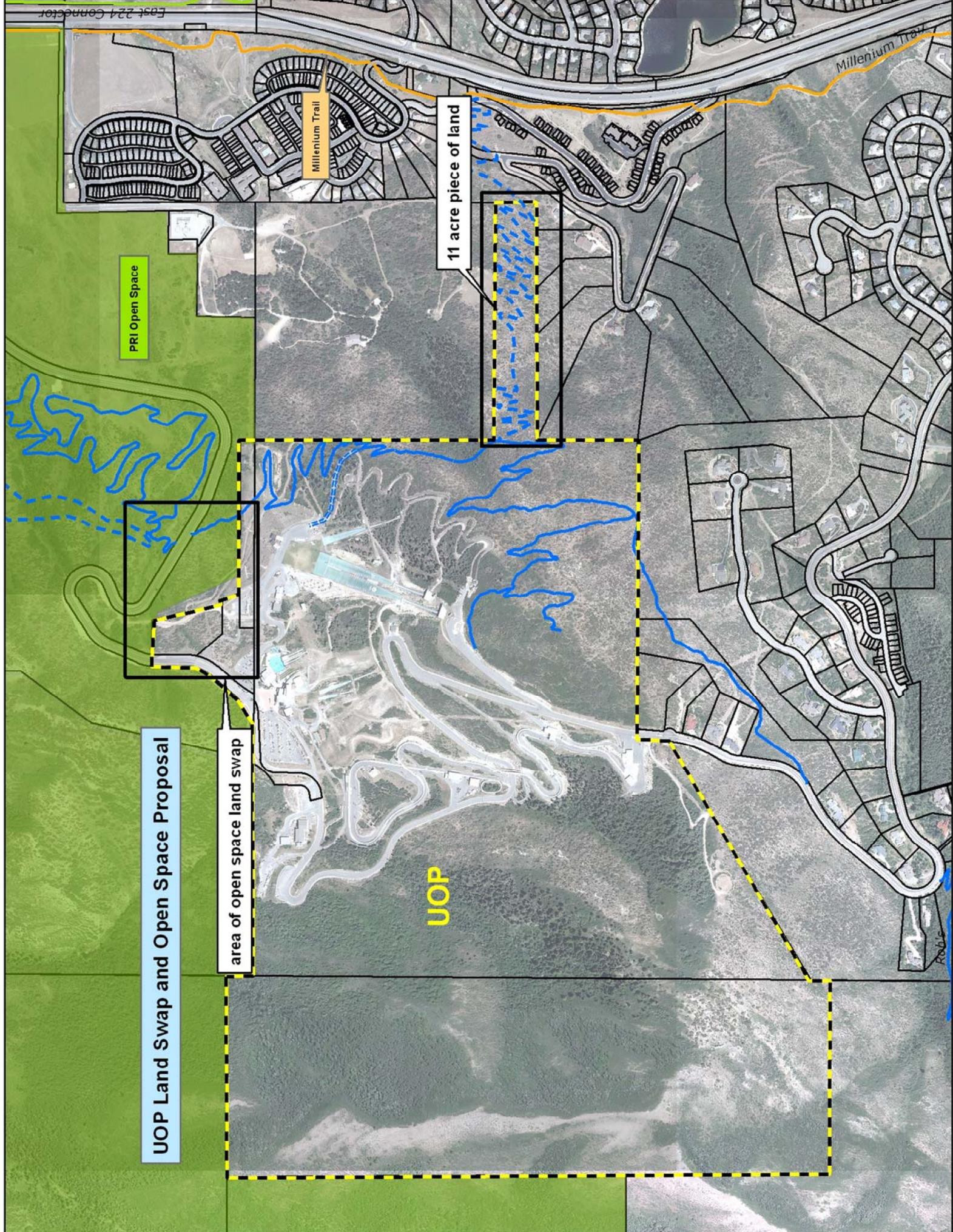
District Staff has reviewed the proposal to see if it consistent with District and County policies and goals and concludes that it is. The District would gain an additional parcel of open space that will enable a trail connection it currently does not have access to as well as support the UAF in its endeavor to create athlete housing. District staff feels it would be beneficial for the District and the County to take fee title to this property and help facilitate the trail connection described above.

Summary:

In summary, the District Board feels the proposed land exchange would be beneficial to the District and County, and the Summit County Council should approve the transaction.

Motion:

For the Summit County Council to approve the land exchange between UAF and the District/County; UAF would deed 11.31 acres (located on KJS Lot 5) to the District/County, and the District/County would deed 5.22 acres (located on KJS Lot 3) to UAF. The District would own a 63% undivided interest in the 11.31 acres, with the County owning the remaining interest. Existing trail easements held by the District on Lot 3 would remain intact. This approval would also authorize the District Director to execute any agreements necessary to complete the transaction.



UOP Land Swap and Open Space Proposal

area of open space land swap

11 acre piece of land

PRI Open Space

Millenium Trail

UOP

East 224 Connector

Millenium Trail

Road 1

EXCHANGE AGREEMENT

This Exchange Agreement (“**Agreement**”) is made as of this ____ day of _____, 2013 (the “**Effective Date**”) by and between **Summit County**, a political subdivision of the State of Utah (the “**County**”), **Snyderville Basin Special Recreation District**, a local district of the State of Utah (the “**District**”) and **Utah Athletic Foundation**, a Utah non-profit corporation (the “**UAF**”) (individually referred to herein as a “**Party**” and jointly referred to herein as the “**Parties**”). The County and the District are collectively referred to herein as the “**County Parties**”.

WITNESSETH

The County Parties are the fee title owners of a certain parcel of real property identified as all of Lot 3 of the Kimball Junction Subdivision, First Amended, according to the official plat thereof recorded on November 4, 2010, as Entry Number 00909755 in the Office of the Summit County Recorder, Book 2054 beginning at Page 0429 (the “**KJS Lot 3**”). KJS Lot 3 is currently encumbered by that certain Declaration and Notice of Use Restrictions, dated November 20, 2008, and recorded as Entry Number 00910221 in the Office of the County Recorder, Summit County, Utah, in Book 2055 beginning at Page 0792 (the “**Covenant**”);

UAF is the fee title owner of a certain parcel of real property identified as all of Lot 5 of the Kimball Junction Subdivision, First Amended (the “**KJS Lot 5**”);

UAF is seeking approval of a Development Agreement with the County to develop approximately seventy-one (71) acres within the Utah Winter Sports Park. KJS Lot 5 is located within a visual corridor which the County desires to protect from development. In order to minimize the visibility of the UAF development, UAF and the County have agreed to effectuate an exchange of properties in order to relocate development outside of the visual corridor;

To accomplish the purposes of an exchange, UAF is willing to deed to the County Parties a portion of KJS Lot 5, as more fully set forth in **Exhibit A** hereto (the “**KJS Open Space**”), together with 11.31 acres of land within the Utah Winter Sports Park that is adjacent to KJS Lot 2, as more fully set forth in **Exhibit B** hereto (the “**UOP Open Space**”) (together, the “**County Open Space**”), and the County Parties are willing to deed to UAF 5.22 acres of land in KJS Lots 3 and 5 which are adjacent to the Utah Winter Sports Park, as more fully set forth in **Exhibit C** hereto (the “**UAF Expansion Parcel**”). Prior to the Closing, the County Parties will secure a release of the Covenant and any other development or use restrictions on the UAF Expansion Parcel;

The County has determined that the UAF Expansion Parcel is Real Property Not in Public Use under Summit County Code §1-11-4. The Parties have commissioned an independent appraisal of the various properties and have found that the fair market value of the

County Open Space exceeds that of the UAF Expansion Parcel by approximately \$35,000, which the County will provide as a credit against development fees to UAF.

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Property Exchange.**

(a) At the Closing, by Special Warranty Deed, the County Parties shall convey to the UAF the UAF Expansion Parcel; and,

(b) At the Closing, by Special Warranty Deeds, the UAF shall convey to the County an undivided 37% interest in the County Open Space and to the District an undivided 63% interest in the County Open Space.

2. **Environmental Condition of Properties.** Except for herbicides, pesticides and other materials traditionally used in farming in the area where the County Open Space and UAF Expansion Parcel are located, the Parties have no Actual Knowledge of the presence or existence of any Hazardous Materials (as defined below) or petroleum underground storage tanks on the properties. From the Effective Date through Closing, the Parties shall not cause or permit the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials on, under, to or from the properties, except for herbicides, pesticides and other materials traditionally used in farming in the area where the properties are located. As used in this Agreement, the term "**Hazardous Materials**" shall mean any hazardous or toxic waste, substance or material as presently defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. Section 5101, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C.A. Section 6901, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. Section 2601, et seq.; the Federal Water Pollution Control Act, 33 U.S.C.A. Section 1251, et seq.; and any State environmental laws.

3. **Closing; Closing Date.** The Closing shall occur (the "**Closing Date**") on or before _____, 2013. At the Closing, the parties shall do the following: (a) the County Parties shall execute and deliver to the UAF a special warranty deed conveying good and marketable title to all of the County Parties' interests in the UAF Expansion Parcel, as more particularly set forth in **Exhibit "D"**; (b) the UAF shall execute and deliver a special warranty deed conveying good and marketable title to the District of an undivided 63% interest in the KJS Open Space and to the County of an undivided 37% interest in the KJS Open Space, as more particularly set forth in **Exhibit "E"**; (c) the UAF shall execute and deliver a special warranty deed conveying good and marketable title to the District of an undivided 63% interest in the UOP Open Space and to the County of an undivided 37% interest in the UOP Open Space, as more particularly set forth in **Exhibit "F"**; and (d) the Parties shall take all other steps needed to effectuate the transactions contemplated by this Agreement. All escrow, closing and other recording fees shall be divided one-half (½) each between UAF and the County Parties. Each party shall be

responsible for payment of the fees and expenses of its counsel, if any, relating to the exchange.

4. **Representations and Warranties.** Each party makes the following representations and warranties to the other, each of which shall survive closing:

a. Neither this Agreement nor the transaction contemplated by this Agreement violates any agreement, judgment, regulation, rule, decree or order by which the representing party is bound, and no consent, approval or permission from any third party (which has not already been obtained) is required in order for the representing party to enter into this Agreement or to consummate the transaction contemplated by this Agreement.

b. To the best of each party's actual knowledge, the UAF Parcel (in the case of County Parties) and the KJS Open Space and UOP Open Space (in the case of UAF) is free of any mortgages, liens, leases, easements, covenants, restrictions, agreements or other encumbrances.

c. Each party accepts the property which it receives hereunder "as is," and except as expressly set forth herein, without any warranties of title, condition or fitness for any purpose whatsoever.

5. **Condition to Exchange.** Unless waived by the party entitled to the benefit thereof, it shall be a condition precedent to each party's obligation to complete the exchange that such party shall have completed its review of title on their respective parcels and shall be satisfied that there are no mortgages, liens, leases, easements, covenants, restrictions, agreements or other encumbrances to title that would materially affect such party's ability to use the applicable parcels for their intended use. Each party may obtain, at its own cost, title insurance for the property that it receives in the exchange.

6. **Notices.** All notices provided for herein to be deemed delivered when sent to the following:

If to the County:

Summit County Manager
Summit County Courthouse
P.O. Box 128
60 N. Main
Coalville, Utah 84017

If to the District:

District Director
Snyderville Basin Special Recreation District
5715 Trailside Dr.
Park City, Utah 84098

If to the UAF:

Utah Athletic Foundation
Utah Olympic Park
3419 Olympic Parkway
Park City, Utah 84098

7. **Entire Agreement; Amendment Waiver.** This Agreement constitutes the entire agreement between the parties pertaining to any right or interest in and to the County Open Space and UAF Expansion Parcel and supersedes all prior agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. Only a writing executed by all parties clearly stating its termination may cancel this Agreement.
8. **Severability.** Any provision hereof which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.
9. **Authority.** Each Party represents and warrants that it has full authority to perform as herein provided, and has received all consents necessary or desirable in connection with the execution of this Agreement.
10. **Execution.** This Agreement may be executed by the execution of one of more counterparts and may be executed by sending an electronic copy of an executed Agreement to the other party hereto.
11. **Dispute Resolution.** The parties agree that any dispute, arising related to this Agreement may first be submitted to mediation. If mediation is mutually agreed upon then, the dispute shall be submitted to mediation through a mediation provider unanimously agreed upon by the parties. Each party agrees to bear its own costs of mediation. If, however, any party is required to take legal action to pursue any rights under this Agreement, then the prevailing party shall be entitled to attorneys' fees and costs. Each of the Parties agrees that the other Parties shall be entitled to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court having jurisdiction over the Parties and the matter, in addition to any other remedy to which they may be entitled, at law or in equity.
12. **No Brokers.** All parties represent to each other that they have not engaged a real estate broker or other professional to whom monies might be owed by reason of this

transaction. The parties agree to indemnify and hold the other harmless from any and all costs, expenses or damages resulting from any claims for brokerage fees or other similar forms of compensation made by any real estate broker or any other person or entity because of the option and future sale contemplated by this Agreement.

13. **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the state of Utah. The parties consent to the jurisdiction of the courts of the state of Utah and further agree that any action arising out of or relating to this Agreement may only be commenced in the courts of the state of Utah. The terms and provisions of the Agreement are for the benefit of the County, the District and the UAF only and no other person shall have any right or cause of action on account thereof.
14. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the County, the District, and the UAF and their respective successors and assigns.
15. **Assignment.** This Agreement may be assigned with the prior written permission of the non-assigning party or parties, which permission will not be unreasonably withheld.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date written above.

SUMMIT COUNTY

By: _____

Its: Manager

SNYDERVILLE BASIN SPECIAL RECREATION
DISTRICT

By: _____

Its: Chair, Governing Board

UTAH ATHLETIC FOUNDATION

By: _____

Its: _____

Exhibit "A"
To
Exchange Agreement

KJS Open Space

All of Lot 5, Kimball Junction Subdivision, 1st Amended (Tax Identification # KJS-5-1AM-X), according to the official plat thereof on file with the Office of the Recorder, Summit County, Utah, as entry number 00909755, in Book 2054 beginning at Page 0429, excepting therefrom any and all portions of the following tract of land:

A parcel of land located in the south half of Section 24, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, KIMBALL JUNCTION SUBDIVISION AMENDED, AS RECORDED WITH THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE NORTH LINE OF SAID LOT 6 THE FOLLOWING THREE COURSES: 1) NORTH WEST 131.10 FEET, 2) NORTH WEST 231.42 FEET, 3) NORTH WEST 237.52 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF OLYMPIC PARKWAY AND THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH EAST 149.52 FEET; THENCE SOUTH EAST 188.63 FEET; THENCE NORTH WEST 89.33 FEET; THENCE NORTH WEST 130.77 FEET; THENCE NORTH EAST 71.27 FEET; THENCE SOUTH EAST 100.19 FEET; THENCE SOUTH EAST 139.72 FEET; THENCE NORTH EAST 269.08 FEET; THENCE NORTH EAST 142.24 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID OLYMPIC PARKWAY; THENCE SOUTH EAST ALONG SAID RIGHT OF WAY LINE 100.00 FEET; THENCE SOUTH WEST 59.00 FEET; THENCE SOUTH EAST 430.35 FEET; THENCE NORTH WEST 852.91 FEET TO THE POINT OF BEGINNING.

Exhibit "B"
To
Exchange Agreement

UOP Open Space

A parcel of land located in the northeast quarter of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT A POINT THAT IS NORTH 89°51'00" WEST 1650.00 FEET ALONG THE SECTION LINE AND SOUTH 00°03'43" EAST 1650.00 FEET ALONG THE UTAH OLYMPIC LEGACY BOUNDARY FROM THE NORTHEAST CORNER OF SECTION 25, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, SAID POINT BEING ON THE BOUNDARY OF THE UTAH OLYMPIC LEGACY BOUNDARY SURVEY, RECORDED DECEMBER 30, 2011, AS ENTRY NO. S-7392, IN THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE BOUNDARY THE FOLLOWING THREE (3) COURSES: 1) SOUTH 89°51'00" EAST 1650.00 FEET; THENCE 2) SOUTH 00°03'43" EAST 296.24 FEET; THENCE 3) SOUTH 89°59'52" WEST 1652.63 FEET; THENCE NORTH 00°26'27" EAST 300.64 FEET TO THE POINT OF BEGINNING.

Description contains 11.31 acres.

Exhibit "C"
To
Exchange Agreement

UAF Expansion Parcel

A parcel of land located in the south half of Section 24, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, KIMBALL JUNCTION SUBDIVISION AMENDED, AS RECORDED WITH THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE NORTH LINE OF SAID LOT 6 THE FOLLOWING THREE COURSES: 1) NORTH WEST 131.10 FEET, 2) NORTH WEST 231.42 FEET, 3) NORTH WEST 237.52 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF OLYMPIC PARKWAY AND THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH EAST 149.52 FEET; THENCE SOUTH EAST 188.63 FEET; THENCE NORTH WEST 89.33 FEET; THENCE NORTH WEST 130.77 FEET; THENCE NORTH EAST 71.27 FEET; THENCE SOUTH EAST 100.19 FEET; THENCE SOUTH EAST 139.72 FEET; THENCE NORTH EAST 269.08 FEET; THENCE NORTH EAST 142.24 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID OLYMPIC PARKWAY; THENCE SOUTH EAST ALONG SAID RIGHT OF WAY LINE 100.00 FEET; THENCE SOUTH WEST 59.00 FEET; THENCE SOUTH EAST 430.35 FEET; THENCE NORTH WEST 852.91 FEET TO THE POINT OF BEGINNING.

Description contains 228,374 sq. ft. or 5.243 acres

Exhibit "D"
To
Exchange Agreement

Special Warranty Deed
UAF Expansion Parcel

[see attached]

AFTER RECORDED, PLEASE RETURN TO:

Utah Athletic Foundation
Utah Olympic Park
3419 Olympic Parkway
Park City, Utah 84098

SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION, Summit County, a political subdivision of the State of Utah, having a mailing address at 60 N. Main, Coalville, Utah 84017, and the Snyderville Basin Special Recreation District, a special service district, having a mailing address at 5715 Trailside Drive, Park City, Utah 84098 (the “**Grantors**”) hereby CONVEY AND WARRANT, against those claiming by, through and under the Grantors and not otherwise, to the Utah Athletic Foundation, a Utah non-profit corporation (the “**Grantee**”), having a mailing address at Utah Olympic Park, 3419 Olympic Parkway, Park City, Utah 84098, the Grantors’ right, title and interest in and to that certain tract of land located in Summit County, State of Utah, as follows:

See Exhibit A hereto and incorporated by this reference as if fully set forth herein

SUBJECT TO all restrictions, reservations, conservation easements and other conditions of record as may be disclosed by a record examination of title.

TO HAVE AND TO HOLD the Subject Property, together with all tenements, hereditaments, and appurtenances thereunto belonging, unto the Grantee, and its successors and assigns, forever. The Grantors do hereby covenant to and with the Grantee that the Grantee is owner in fee simple of the Subject Property and that the Grantors will warrant and defend the same from all lawful claims whatsoever arising by, through and under the Grantors and not otherwise.

The undersigned further hereby acknowledges and affirms to the below named Notary Public that the undersigned appeared before such Notary Public and either executed this Deed before such Notary Public or acknowledged to such Notary Public that the undersigned executed this Deed for the purposes stated in it.

DATED as of the _____ day of _____, 2013.

Summit County

By: _____

Print Name: _____

Title: _____

Snyderville Basin Special Recreation District

By: _____

Print Name: _____

Title: _____

STATE OF UTAH)
 :ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by _____, of Summit County.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 :ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by _____, of Summit County.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A

A parcel of land located in the south half of Section 24, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, KIMBALL JUNCTION SUBDIVISION AMENDED, AS RECORDED WITH THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE NORTH LINE OF SAID LOT 6 THE FOLLOWING THREE COURSES: 1) NORTH WEST 131.10 FEET, 2) NORTH WEST 231.42 FEET, 3) NORTH WEST 237.52 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF OLYMPIC PARKWAY AND THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH EAST 149.52 FEET; THENCE SOUTH EAST 188.63 FEET; THENCE NORTH WEST 89.33 FEET; THENCE NORTH WEST 130.77 FEET; THENCE NORTH EAST 71.27 FEET; THENCE SOUTH EAST 100.19 FEET; THENCE SOUTH EAST 139.72 FEET; THENCE NORTH EAST 269.08 FEET; THENCE NORTH EAST 142.24 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID OLYMPIC PARKWAY; THENCE SOUTH EAST ALONG SAID RIGHT OF WAY LINE 100.00 FEET; THENCE SOUTH WEST 59.00 FEET; THENCE SOUTH EAST 430.35 FEET; THENCE NORTH WEST 852.91 FEET TO THE POINT OF BEGINNING.

Description contains 228,374 sq. ft. or 5.243 acres

Exhibit "E"
To
Exchange Agreement

Special Warranty Deed
KJS Open Space

[see attached]

AFTER RECORDED, PLEASE RETURN TO:

Summit County Attorney
P.O. Box 128
60 N. Main
Coalville, Utah 84017

SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION, Utah Athletic Foundation, a Utah non-profit corporation (the “**Grantor**”), having a mailing address at Utah Olympic Park, 3419 Olympic Parkway, Park City, Utah 84098, hereby CONVEYS AND WARRANTS, against those claiming by, through and under the Grantor and not otherwise, to Summit County, a political subdivision of the State of Utah, having a mailing address at 60 N. Main, Coalville, Utah 84017 (as to an undivided 37% interest) and the Snyderville Basin Special Recreation District, a special service district, having a mailing address at 5715 Trailside Drive, Park City, Utah 84098 (as to an undivided 63% interest) (together, the “**Grantees**”), the Grantor’s right, title and interest in and to that certain tract of land located in Summit County, State of Utah, as follows:

See Exhibit A hereto and incorporated by this reference as if fully set forth herein

SUBJECT TO all restrictions, reservations, conservation easements and other conditions of record as may be disclosed by a record examination of title.

TO HAVE AND TO HOLD the Subject Property, together with all tenements, hereditaments, and appurtenances thereunto belonging, unto the Grantees, and their successors and assigns, forever. The Grantor does hereby covenant to and with the Grantees that the Grantees are owner in fee simple of the Subject Property and that the Grantor will warrant and defend the same from all lawful claims whatsoever arising by, through and under the Grantor and not otherwise.

The undersigned further hereby acknowledges and affirms to the below named Notary Public that the undersigned appeared before such Notary Public and either executed this Deed before such Notary Public or acknowledged to such Notary Public that the undersigned executed this Deed for the purposes stated in it.

DATED as of the _____ day of _____, 2013.

Utah Athletic Foundation

By: _____

Print Name: _____

Title: _____

STATE OF UTAH)
)
:ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by _____, of Summit County.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A

All of Lot 5, Kimball Junction Subdivision, 1st Amended (Tax Identification # KJS-5-1AM-X), according to the official plat thereof on file with the Office of the Recorder, Summit County, Utah, as entry number 00909755, in Book 2054 beginning at Page 0429, excepting therefrom any and all portions of the following tract of land:

A parcel of land located in the south half of Section 24, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, KIMBALL JUNCTION SUBDIVISION AMENDED, AS RECORDED WITH THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE NORTH LINE OF SAID LOT 6 THE FOLLOWING THREE COURSES: 1) NORTH WEST 131.10 FEET, 2) NORTH WEST 231.42 FEET, 3) NORTH WEST 237.52 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF OLYMPIC PARKWAY AND THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH EAST 149.52 FEET; THENCE SOUTH EAST 188.63 FEET; THENCE NORTH WEST 89.33 FEET; THENCE NORTH WEST 130.77 FEET; THENCE NORTH EAST 71.27 FEET; THENCE SOUTH EAST 100.19 FEET; THENCE SOUTH EAST 139.72 FEET; THENCE NORTH EAST 269.08 FEET; THENCE NORTH EAST 142.24 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID OLYMPIC PARKWAY; THENCE SOUTH EAST ALONG SAID RIGHT OF WAY LINE 100.00 FEET; THENCE SOUTH WEST 59.00 FEET; THENCE SOUTH EAST 430.35 FEET; THENCE NORTH WEST 852.91 FEET TO THE POINT OF BEGINNING.

Exhibit “F”

**To
Exchange Agreement**

**Special Warranty Deed
UOP Open Space**

[see attached]

AFTER RECORDED, PLEASE RETURN TO:

Summit County Attorney
P.O. Box 128
60 N. Main
Coalville, Utah 84017

SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION, Utah Athletic Foundation, a Utah non-profit corporation (the “**Grantor**”), having a mailing address at Utah Olympic Park, 3419 Olympic Parkway, Park City, Utah 84098, hereby CONVEYS AND WARRANTS, against those claiming by, through and under the Grantor and not otherwise, to Summit County, a political subdivision of the State of Utah, having a mailing address at 60 N. Main, Coalville, Utah 84017 (as to an undivided 37% interest) and the Snyderville Basin Special Recreation District, a special service district, having a mailing address at 5715 Trailside Drive, Park City, Utah 84098 (as to an undivided 63% interest) (together, the “**Grantees**”), the Grantor’s right, title and interest in and to that certain tract of land located in Summit County, State of Utah, as follows:

See Exhibit A hereto and incorporated by this reference as if fully set forth herein

SUBJECT TO all restrictions, reservations, conservation easements and other conditions of record as may be disclosed by a record examination of title.

TO HAVE AND TO HOLD the Subject Property, together with all tenements, hereditaments, and appurtenances thereunto belonging, unto the Grantees, and their successors and assigns, forever. The Grantor does hereby covenant to and with the Grantees that the Grantees are owner in fee simple of the Subject Property and that the Grantor will warrant and defend the same from all lawful claims whatsoever arising by, through and under the Grantor and not otherwise.

The undersigned further hereby acknowledges and affirms to the below named Notary Public that the undersigned appeared before such Notary Public and either executed this Deed before such Notary Public or acknowledged to such Notary Public that the undersigned executed this Deed for the purposes stated in it.

DATED as of the _____ day of _____, 2013.

Utah Athletic Foundation

By: _____

Print Name: _____

Title: _____

STATE OF UTAH)
)
:ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by _____, of Summit County.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A

A parcel of land located in the northeast quarter of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

Beginning at a point that is North 89°51'00" West 1650.00 feet along the section line and South 00°03'43" East 1650.00 feet along the Utah Olympic Legacy boundary from the northeast corner of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said point being on the boundary of the Utah Olympic Legacy boundary survey, recorded December 30, 2011, as Entry No. S-7392, in the office of the Summit County Recorder, and running thence along the boundary the following three (3) courses: 1) South 89°51'00" East 1650.00 feet; thence 2) South 00°03'43" East 296.24 feet; thence 3) South 89°59'52" West 1652.63 feet; thence North 00°26'27" East 300.64 feet to the point of beginning.

Description contains 11.31 acres.

WHEN RECORDED, RETURN TO:

David E. Gee
Parr Brown
185 S State Street, Suite 800
Salt Lake City, Utah 84111

DECLARATION AND NOTICE OF USE RESTRICTIONS

This DECLARATION AND NOTICE OF USE RESTRICTIONS (this “Declaration and Notice”), dated as of the ____ day of _____, 2013 (the “Effective Date”), is entered into and made by SUMMIT COUNTY, a body corporate and politic of the State of Utah, whose address is 60 N. Main St., P.O. Box 128, Coalville, Utah 84017, and SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT, a Utah special service district, whose address is 5715 Trailside Dr., Park City, Utah 84098 (collectively “Declarant”).

RECITALS

WHEREAS, Declarant is the fee owner of Lot 5, Kimball Junction Subdivison, 1st Amended (Tax Identification # KJS-5-1AM-X), according to the official plat thereof on file with the Office of the Recorder, Summit County, Utah, as entry number 00909755, in Book 2054 beginning at Page 0429 (“KJS”), excepting that portion contained thereof within the boundary description of the Utah Athletic Foundation (“UAF”) parcel, as more particularly described in attached Exhibit “A” (the “Property”); and,

WHEREAS, Boyer Snyderville Junction, L.C., a Utah limited liability company (“Boyer”), is the fee owner of Lot 1, KJS (the “Benefited Property”); and,

WHEREAS, as and to the extent specified herein, Declarant desires that the Property shall be held, conveyed, encumbered, leased, used, occupied, and improved subject to the restrictions, rights, conditions, and covenants set forth in this Declaration and Notice, for the benefit of the Benefited Property; and,

WHEREAS, this Declaration and Notice is made for and in consideration of, pursuant to, and in furtherance of the terms and conditions of that certain Release of Restrictive Covenant, dated as of _____, 2013 (the “Release”).

TERMS

NOW, THEREFORE, for and in consideration of the covenants and promises set forth in the Release and this Declaration, together with the mutual benefits to be derived herefrom and therefrom, Declarant hereby covenants and declares that the Property, and every part or interest therein, is now held and shall hereafter be held, conveyed, encumbered, leased, used, occupied

and improved subject to the restrictions, rights, conditions and covenants herein set forth, each and all of which is and are for, and shall inure to the benefit of and pass with, the Property, and every part or interest therein, and shall apply to every owner and occupant thereof, and their successors and assigns, with the effect that all restrictions, rights, conditions and covenants in this Declaration shall run with and burden the Property and shall be binding on the Property and all other persons having or acquiring any interest in the Property, for the benefit of the Benefited Property and other persons having or acquiring any interest in the Benefited Property.

1. Declarant desires to maintain and preserve the Property as open space and to restrict the use of the Property to recreational and other uses that are consistent with its preservation as open space. In that connection, the following uses of the Property and/or activities upon the Property are expressly prohibited in perpetuity (collectively, the "Use Restrictions"):

- (a) Division, subdivision or de facto subdivision (through long-term leasing or otherwise) of any parcel of the Property into more than one (1) separately owned parcels of real property;
- (b) Construction or location of any structure or other improvement on the Property except for structures or improvements that are reasonably consistent with the use of the Property as open space or a portion thereof as a public cemetery, including grave monuments, plot map kiosk, observation blinds and towers, trails, cattle guards or other fencing as may reasonably be required to preserve the Property in its present condition;
- (c) Exploration and drilling for and extraction of oil and gas from any site on the Property;
- (d) Dumping or storing of ashes, trash, garbage or junk on the Property;
- (e) Quarrying, mining, excavation, depositing on extraction of sand, gravel, soil and rocks and/or, without limitation, any mineral or similar materials from the Property;
- (f) Dumping, depositing, discharging, releasing or abandoning any solid or hazardous wastes, hazardous substance or material, pollutant or debris in, on or under the Property or into the surface or groundwater on or under the Property;
- (g) Burning of any materials on the Property;
- (h) The use of vehicles, including snowmobiles and other recreational vehicles, except the use of vehicles is permitted to the extent necessary to maintain the Property, and to maintain and construct utility lines running through the Property;
- (i) Hunting or trapping for any purpose other than predatory, scientific research or problem animal control on the Property;

(j) Establishment or maintenance of any grazing or livestock feedlots on the Property;

(k) Any agricultural or industrial use of the Property not expressly permitted;

(l) The placement or maintenance of signs, billboards or any other outdoor advertising of any kind or nature on the Property except for signs relating to the use or limitations on use applicable to the Property, directional and regulatory signs relating to the Property and signs of an informational or educational nature relating to the Property and the preservation of the Property as open space;

(m) All other uses and practices inconsistent with and significantly detrimental to the preservation of the Property as open space.

2. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are consistent with the preservation of the Property as open space and are hereby expressly permitted, provided that each such use or practice is effected in a manner that is not inconsistent with the purpose of the Use Restrictions and that each such use or practice shall neither significantly impair the public's view of and over the Property nor, in general, result in significant injury to or the destruction of the open space conservation value of the Property:

(a) To plant and maintain native trees and bushes and grasses to protect, preserve and enhance the aesthetic and open space values of the Property;

(b) To hunt or trap animals and to control predatory or problem animals by the use of selective control measures and techniques;

(c) To remove such trees and other flora as are reasonably determined to be hazardous to the uses and practices herein reserved;

(d) To build, maintain and repair observation blinds and towers, trails, cattle guards or other fencing reasonably appropriate for wildlife and agricultural protection purposes, for the protection of natural and planted vegetation, observation blinds and towers, trails, cattle guards or other fencing as may reasonably be required to preserve the Property in its present condition;

(e) To engage in grazing and other agricultural activities;

(f) To use the Property for educational and recreational purposes consistent with the preservation of the Property as Open Space;

(g) To use the Property for commercial or noncommercial photography consistent with the preservation of the Property as open space;

(h) To construct, use and maintain natural and man-made ponds, including ponds used for the storage of treated effluent to the extent authorized or required by applicable governmental entities;

(i) To construct and maintain utility lines running through the Property, and the incidental use of vehicles required to maintain the Property and such utility lines;

(j) To install signs relating to the use or limitations on use applicable to the Property, directional and regulatory signs relating to the Property and signs of an informational or educational nature relating to the Property and the preservation of the Property as open space;

(k) To use a portion of the Property as a public cemetery.

3. With the agreement and understanding that, in the event the Use Restrictions shall, in any respect, as reasonably determined by the owner of the Benefited Property, fail to be performed or complied with, the owner of the Benefited Property may not have an adequate remedy at law for the breach or threatened breach thereof, the owner of the Benefited Property may (a) take or cause to be taken such actions as may be necessary or appropriate to satisfy any such covenants, agreements, conditions, and/or obligations, and/or (b) file a suit in equity to enjoin the breach or threatened breach of the Use Restrictions, as the case may be, and/or for specific performance thereof.

4. This Declaration shall continue in full force for a period of 95 years from the Effective Date (the "Term"). Within the last year of the Term, the owner of the Benefited Property shall review the Use Restrictions and, in such owner's sole discretion, determine whether and for how long the Use Restrictions, in whole or in part, shall remain in effect. Unless the owner of the Benefited Property determines otherwise, as evidenced by an instrument recorded in the official real estate records of Summit County, Utah within the last year of the Term, then the Term shall extend for another 100 years.

5. This Declaration may be amended only by duly recording an instrument executed and acknowledged by the owner of the Benefited Property and the owner(s) of the Property.

6. All restrictions, rights, conditions and covenants in this Declaration shall run with and bind the Property as covenants running with the land and shall inure with and burden the Property and shall be binding on the Property and any persons having or acquiring any interest in the Property, for the benefit of the Property and other persons having or acquiring any interest in the Property. Further, this Declaration and the restrictions created hereby shall inure to and be binding upon all occupants, tenants, licensees and invitees of the Property, and upon any person acquiring the Property, or any part thereof or any interest therein, whether voluntarily, involuntarily, by operation of law or otherwise. The owner(s) of the Property, including, without limitation, any owner or lien holder, who acquires any interest in the Property, by foreclosure, trustee's sale or otherwise, shall be liable for all obligations arising under this Declaration with respect to the Property after the date of sale and conveyance of title.

7. In the event of any legal action or proceeding in any way connected with this Declaration, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action or proceeding its reasonable costs and attorneys' fees (including, without limitation, its reasonable costs and attorneys' fees on any appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

8. Failure to enforce any provision of this Declaration does not waive the right to enforce that provision, or any other provision of this Declaration.

9. All notices given pursuant to this Declaration shall be in writing and shall be given by personal service (receipted), by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested.

10. The provisions of this Declaration are independent and severable. A determination of invalidity or partial invalidity or unenforceability of any one provision of this Declaration by a court of competent jurisdiction does not affect the validity or enforceability of any other provisions of this Declaration.

11. The Use Restrictions specified herein shall be subject to no prior liens, restrictions or encumbrances, except general real property taxes and assessments not yet due and payable. In the event that any liens or encumbrances shall hereafter accrue against the Property, the lien or indebtedness evidenced by any such liens shall be subordinate to the Use Restrictions specified herein.

IN WITNESS WHEREOF, the undersigned have caused this Declaration and Notice to be executed as of the date first written above.

IN WITNESS WHEREOF, the parties have executed this Notice this ____ day of _____, 20__.

SUMMIT COUNTY

By: COUNTY MANAGER

Robert Jasper

EXECUTED: _____, 2013.

SNYDERVILLE BASIN SPECIAL
RECREATION DISTRICT

By: GOVERNING BOARD

Claudia McMullin
Chair

EXECUTED: _____, 2013.

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy Summit County Attorney

STATE OF UTAH)
 :ss
COUNTY OF _____)

On this ____ day of _____, 2013, personally appeared before me Robert Jasper, known or satisfactorily proved to me to be the Manager of SUMMIT COUNTY, who acknowledged to me that he signed the foregoing instrument in that capacity.

Notary Public for Utah

STATE OF UTAH)
 :ss
COUNTY OF _____)

On this ____ day of _____, 2013, personally appeared before me Claudia McMullin, known or satisfactorily proved to me to be the Chair of the Governing Board of SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT, who acknowledged to me that he signed the foregoing instrument in that capacity.

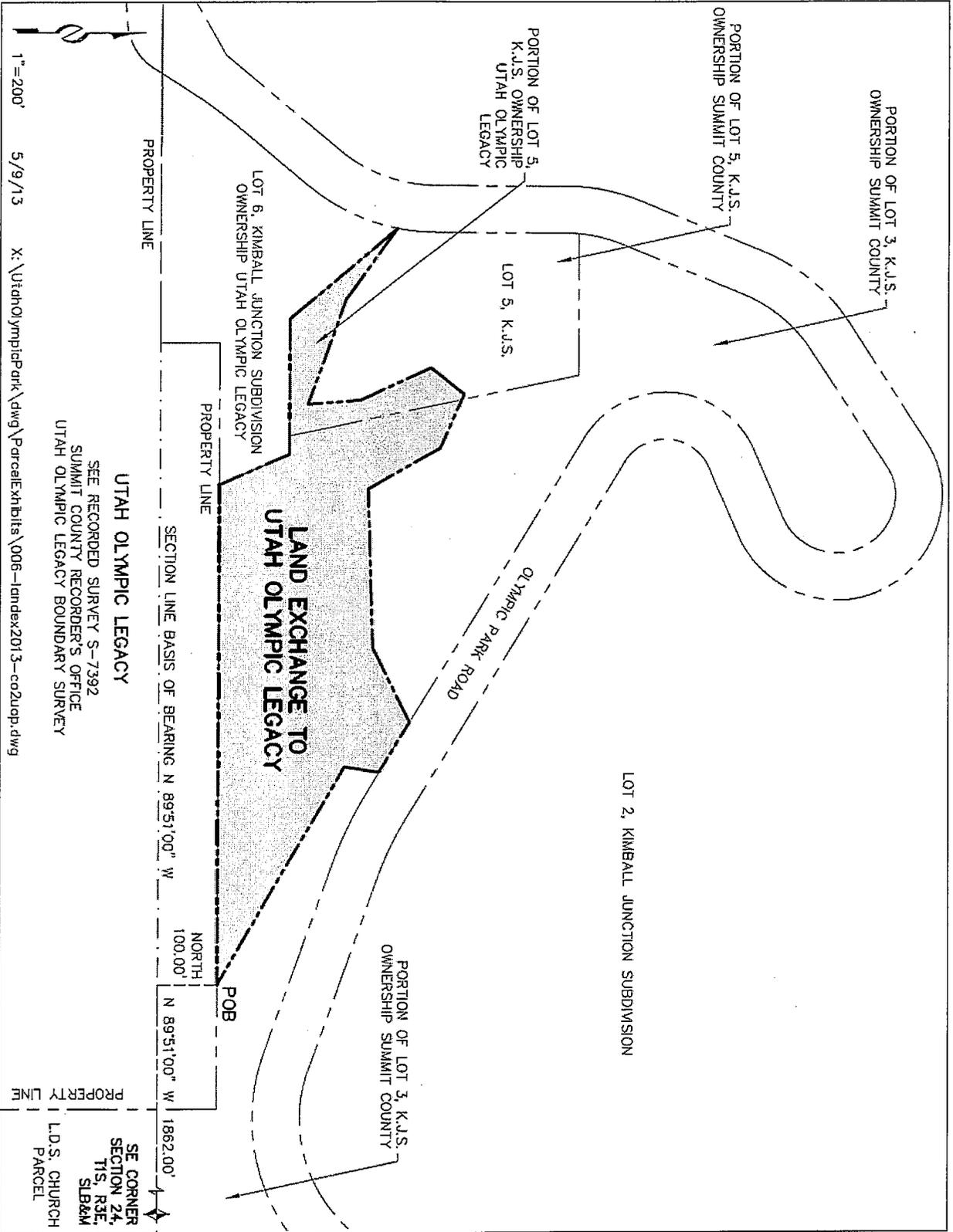
Notary Public for Utah

EXHIBIT A
LEGAL DESCRIPTION

All of Lot 5, Kimball Junction Subdivision, 1st Amended (Tax Identification # KJS-5-1AM-X), according to the official plat thereof on file with the Office of the Recorder, Summit County, Utah, as entry number 00909755, in Book 2054 beginning at Page 0429, excepting therefrom any and all portions of the following tract of land:

A parcel of land located in the south half of Section 24, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 6, KIMBALL JUNCTION SUBDIVISION AMENDED, AS RECORDED WITH THE OFFICE OF THE SUMMIT COUNTY RECORDER, AND RUNNING THENCE ALONG THE NORTH LINE OF SAID LOT 6 THE FOLLOWING THREE COURSES: 1) NORTH WEST 131.10 FEET, 2) NORTH WEST 231.42 FEET, 3) NORTH WEST 237.52 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF OLYMPIC PARKWAY AND THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH EAST 149.52 FEET; THENCE SOUTH EAST 188.63 FEET; THENCE NORTH WEST 89.33 FEET; THENCE NORTH WEST 130.77 FEET; THENCE NORTH EAST 71.27 FEET; THENCE SOUTH EAST 100.19 FEET; THENCE SOUTH EAST 139.72 FEET; THENCE NORTH EAST 269.08 FEET; THENCE NORTH EAST 142.24 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SAID OLYMPIC PARKWAY; THENCE SOUTH EAST ALONG SAID RIGHT OF WAY LINE 100.00 FEET; THENCE SOUTH WEST 59.00 FEET; THENCE SOUTH EAST 430.35 FEET; THENCE NORTH WEST 852.91 FEET TO THE POINT OF BEGINNING.



PORTION OF LOT 3, K.J.S.
OWNERSHIP SUMMIT COUNTY

PORTION OF LOT 5, K.J.S.
OWNERSHIP SUMMIT COUNTY

PORTION OF LOT 5,
K.J.S. OWNERSHIP
UTAH OLYMPIC
LEGACY

LOT 5, K.J.S.

LOT 6, KIMBALL JUNCTION SUBDIVISION
OWNERSHIP UTAH OLYMPIC LEGACY

**LAND EXCHANGE TO
UTAH OLYMPIC LEGACY**

OLYMPIC PARK ROAD

LOT 2, KIMBALL JUNCTION SUBDIVISION

PORTION OF LOT 3, K.J.S.
OWNERSHIP SUMMIT COUNTY

PROPERTY LINE

PROPERTY LINE

SECTION LINE BASIS OF BEARING: N 89°51'00" W

NORTH
100.00'

POB

N 89°51'00" W 1862.00'

1"=200'

5/9/13

X: \UtahOlympicPark\dwg\Parcel\exhibits\006-landex2013-co2uop.dwg

UTAH OLYMPIC LEGACY
SEE RECORDED SURVEY S-7392
SUMMIT COUNTY RECORDER'S OFFICE
UTAH OLYMPIC LEGACY BOUNDARY SURVEY

SE CORNER
SECTION 24,
T15, R3E,
S16&M
L.D.S. CHURCH
PARCEL

WHEN RECORDED, RETURN TO:

David L. Thomas
Chief Civil Deputy
Summit County Attorney
60 N. Main
Coalville, Utah 84017

**DECLARATION AND NOTICE OF USE RESTRICTIONS
FOR THE BENEFIT OF
THE UTAH ATHLETIC FOUNDATION
BOYER SNYDERVILLE JUNCTION, LC**

This DECLARATION AND NOTICE OF USE RESTRICTIONS (this “Declaration”), dated as of the ____ day of _____, 2013 (the “Effective Date”), is entered into and made by and between SUMMIT COUNTY, a political subdivision of the State of Utah, whose address is 60 N. Main St., P.O. Box 128, Coalville, Utah 84017 and SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT, a Utah Special Service District, whose address is 5715 Trailside Dr., Park City, Utah 84098 (collectively, the “Declarant”), in favor of the UTAH ATHLETIC FOUNDATION, a Utah non-profit corporation, whose address is 3419 Olympic Parkway, Park City, Utah 84098 (“UAF”) and by BOYER SNYDERVILLE JUNCTION, L.C., a Utah limited liability company, whose address is 90 South 400 West, Suite 200, Salt Lake City, Utah 84101 (“BSJ”).

RECITALS

WHEREAS, Declarant is the fee title owner of certain real property as set forth on Exhibit A hereto, located in Summit County, Utah (the “UOP Open Space”); said real property being approximately 11.31 acres; and,

WHEREAS, UAF is the fee title owner of the Utah Olympic Park, comprising parcels PP-65-A-X, PP-63-A-X, PP-62-3-X, PP- 63-A-2-X and KJS-6 (the “UAF Property”); and,

WHEREAS BSJ is fee owner of Park City Tech Center, comprising parcels PCTC-4 and PCTC-5 (the “BSJ Property” and, together with the UAF Property, the “Benefitted Property”); and,

WHEREAS, Declarant utilized monies restricted for open space acquisition to acquire the UOP Open Space; and,

WHEREAS, Declarant desires to restrict the use of the UOP Open Space to public open space (both passive and active) in perpetuity;

TERMS

NOW, THEREFORE, for and in consideration of the covenants and promises set forth in this Declaration, together with the mutual benefits to be derived herefrom and therefrom, Declarant hereby covenants and declares that the UOP Open Space, and every part or interest therein, is now held and shall hereafter be held, conveyed, encumbered, leased, used, occupied and improved subject to the restrictions, rights, conditions and covenants herein set forth, each and all of which is and are for, and inure to the benefit of and pass with, the UOP Open Space, and every part or interest therein, and shall apply to every owner and occupant thereof, and their successors and assigns, with the effect that all restrictions, rights conditions and covenants in this Declaration shall run with and burden the UOP Open Space, and shall be binding on the UOP Open Space and all other persons having or acquiring any interest in the UOP Open Space, for the benefit of the Benefited Property and other persons having or acquiring any interest in the Benefited Property.

1. Declarant desires to maintain and preserve the UOP Open Space as public open space and to restrict the use of the UOP Open Space to recreational and other uses that are consistent with its preservation as open space. In that connection, the following uses of the UOP Open Space and/or activities upon the UOP Open Space are expressly prohibited in perpetuity (collectively, the “Use Restrictions”):

(a) Further division, subdivision or de facto subdivision (through long-term leasing or otherwise) of any parcel of the UOP Open Space into more than one (1) separately owned parcels of real property;

(b) Construction or location of any structure or other improvement on the UOP Open Space except for structures or improvements that are reasonably consistent with the use of the UOP Open Space as passive and active open space or a portion thereof as trails, cattle guards or other fencing as may reasonably be required to preserve the UOP Open Space in its present condition;

(c) Exploration and drilling for and extraction of oil and gas from any site on the UOP Open Space;

(d) Dumping or storing of ashes, trash, garbage or junk on the UOP Open Space;

(e) Quarrying, mining, excavation, depositing on extraction of sand, gravel, soil and rocks and/or, without limitation, any mineral or similar materials from the UOP Open Space;

(f) Dumping, depositing, discharging, releasing or abandoning any solid or hazardous wastes, hazardous substance or material, pollutant or debris in, on or under the UOP Open Space or into the surface or groundwater on or under the UOP Open Space;

(g) Burning of any materials on the UOP Open Space;

(h) The use of vehicles, including snowmobiles and other recreational vehicles, except the use of vehicles is permitted to the extent necessary to maintain the UOP Open Space, and to maintain and construct utility lines running through the UOP Open Space;

(i) Hunting or trapping for any purpose other than predatory, scientific research or problem animal control on the UOP Open Space;

(j) Establishment or maintenance of any grazing or livestock feedlots on the UOP Open Space;

(k) Any agricultural or industrial use of the UOP Open Space not expressly permitted;

(l) The placement or maintenance of signs, billboards or any other outdoor advertising of any kind or nature on the UOP Open Space except for signs relating to the use or limitations on use applicable to the UOP Open Space, directional and regulatory signs relating to the UOP Open Space and signs of an informational or educational nature relating to the UOP Open Space and the preservation of the UOP Open Space as public open space; and

(m) All other uses and practices inconsistent with and significantly detrimental to the preservation of the UOP Open Space as public open space.

2. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are consistent with the preservation of the UOP Open Space as public open space and are hereby expressly permitted, provided that each such use or practice is effected in a manner that is not inconsistent with the purpose of the Use Restrictions and that each such use or practice shall neither significantly impair the public's view of and over the UOP Open Space nor, in general, result in significant injury to or the destruction of the open space conservation value of the UOP Open Space:

(a) To plant and maintain native trees and bushes and grasses to protect, preserve and enhance the aesthetic and open space values of the UOP Open Space;

(b) To hunt or trap animals and to control predatory or problem animals by the use of selective control measures and techniques;

(c) To remove such trees and other flora as are reasonably determined to be

hazardous to the uses and practices herein reserved;

(d) To build, maintain and repair trails, cattle guards or other fencing reasonably appropriate for wildlife and agricultural protection purposes, for the protection of natural and planted vegetation, trails, cattle guards or other fencing as may reasonably be required to preserve the UOP Open Space in its present condition;

(e) To engage in grazing and other agricultural activities;

(f) To use the UOP Open Space for educational and recreational purposes consistent with the preservation of it as open space;

(g) To use the UOP Open Space for commercial or noncommercial photography consistent with the preservation of it as open space;

(h) To construct and maintain utility lines running through the UOP Open Space, and the incidental use of vehicles required to maintain the UOP Open Space and such utility lines;

(i) To install signs relating to the use or limitations on use applicable to the UOP Open Space, directional and regulatory signs relating to the UOP Open Space and signs of an informational or educational nature relating to the UOP Open Space and the preservation of such as open space;

3. With the agreement and understanding that, in the event the Use Restrictions shall, in any respect, as reasonably determined by the owner of the Benefited Property, fail to be performed or complied with, the owner of the Benefited Property may not have an adequate remedy at law for the breach or threatened breach thereof, the owner of the Benefited Property may (a) take or cause to be taken such actions as may be necessary or appropriate to satisfy any such covenants, agreements, conditions, and/or obligations, and/or (b) file a suit in equity to enjoin the breach or threatened breach of the Use Restrictions, as the case may be, and/or for specific performance thereof.

4. This Declaration shall continue in full force for a period of 100 years from the Effective Date (the "Term"). Within the last year of the Term, the owner of the Benefited Property shall review the Use Restrictions and, in such owner's sole discretion, determine whether and for how long the Use Restrictions, in whole or in part, shall remain in effect. Unless the owner of the Benefited Property determines otherwise, as evidenced by an instrument recorded in the official real estate records of Summit County, Utah within the last year of the Term, then the Term shall extend for another 100 years.

5. This Declaration may be amended only by duly recording an instrument executed and acknowledged by all of the owners of the Benefited Property and the owner(s) of the UOP Open Space.

6. All restrictions, rights, conditions and covenants in this Declaration shall run with and bind the UOP Open Space as covenants running with the land and shall inure with and burden the UOP Open Space and shall be binding on such and any persons having or acquiring any interest in the UOP Open Space, for the benefit of the UOP Open Space and other persons having or acquiring any interest in such. Further, this Declaration and the restrictions created hereby shall inure to and be binding upon all occupants, tenants, licensees and invitees of the UOP Open Space, and upon any person acquiring the UOP Open Space, or any part thereof or any interest therein, whether voluntarily, involuntarily, by operation of law or otherwise. The owner(s) of the UOP Open Space, including, without limitation, any owner or lien holder, who acquires any interest in the UOP Open Space, by foreclosure, trustee's sale or otherwise, shall be liable for all obligations arising under this Declaration with respect to the UOP Open Space after the date of sale and conveyance of title.

7. Failure to enforce any provision of this Declaration does not waive the right to enforce that provision, or any other provision of this Declaration.

8. All notices given pursuant to this Declaration shall be in writing and shall be given by personal service (receipted), by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested.

9. The provisions of this Declaration are independent and severable. A determination of invalidity or partial invalidity or unenforceability of any one provision of this Declaration by a court of competent jurisdiction does not affect the validity or enforceability of any other provisions of this Declaration.

10. The Use Restrictions specified herein shall be subject to no prior liens, restrictions or encumbrances, except general real property taxes and assessments not yet due and payable. In the event that any liens or encumbrances shall hereafter accrue against the UOP Open Space, the lien or indebtedness evidenced by any such liens shall be subordinate to the Use Restrictions specified herein.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed as of the date first written above.

SUMMIT COUNTY

By: COUNTY MANAGER

Robert Jasper

EXECUTED: _____, 2013.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT

By: GOVERNING BOARD

Claudia McMullin, Chair

EXECUTED: _____, 2013.

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy Summit County Attorney

BOYER SNYDERVILLE JUNCTION, L.C.,
a Utah limited liability company, by its Manager

THE BOYER COMPANY, L.C.,
a Utah limited liability company,

By: _____
Its: _____

STATE OF UTAH)
 :SS
COUNTY OF _____)

On this ____ day of _____, 2013, personally appeared before me Robert Jasper, known or satisfactorily proved to me to be the Manager of SUMMIT COUNTY, who acknowledged to me that he signed the foregoing instrument in that capacity.

Notary Public for Utah

STATE OF UTAH)
 :SS
COUNTY OF _____)

On this ____ day of _____, 2013, personally appeared before me Claudia McMullin, known or satisfactorily proved to me to be the Chair of the Governing Board of SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT, who acknowledged to me that he signed the foregoing instrument in that capacity.

Notary Public for Utah

STATE OF UTAH)
 : ss.
COUNTY OF SUMMIT)

On this ____ day of _____, 2013, personally appeared before me _____, known or satisfactorily proved to me to be the Manager of THE BOYER COMPANY, L.C., which is the Manager of Boyer Snyderville Junction, L.C., who acknowledged to me that he signed the foregoing instrument in that capacity.

Notary Public for Utah

EXHIBIT A

UOP Open Space

A parcel of land located in the northeast quarter of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

Beginning at a point that is North 89°51'00" West 1650.00 feet along the section line and South 00°03'43" East 1650.00 feet along the Utah Olympic Legacy boundary from the northeast corner of Section 25, Township 1 South, Range 3 East, Salt Lake Base and Meridian, said point being on the boundary of the Utah Olympic Legacy boundary survey, recorded December 30, 2011, as Entry No. S-7392, in the office of the Summit County Recorder, and running thence along the boundary the following three (3) courses: 1) South 89°51'00" East 1650.00 feet; thence 2) South 00°03'43" East 296.24 feet; thence 3) South 89°59'52" West 1652.63 feet; thence North 00°26'27" East 300.64 feet to the point of beginning.

Description contains 11.31 acres.



STAFF MEMO

To: Summit County Council

From: Will Pratt, Planning & Project Manager

Subject: Bywater Trail Easement Purchase Proposal

Date: October 23, 2013

Meeting Date: November 6, 2013

Summary Request:

Review and approve Board and Staff recommendation for the possible purchase of a Right-of-Way and Easement Grant from the Bywater family, (the Owner), by the Snyderville Basin Special Recreation District (the District).

Background:

A soft surface trail connection through the Silver Creek neighborhood has long been planned by the District and is included in our current Master Trails Plan. The District has been working with Summit County Service Area No. 3 (Service Area No. 3) on trail planning for the project, to be called the Silver Creek/Wasatch Trail. Both entities submitted a joint RAP application recently to request funding to complete the trail.

The Silver Creek/Wasatch Trail when complete will consist of approximately 9700 feet of a four (4) to six (6) foot wide, soft surface trail, and will connect the existing I-80 Silver Creek Underpass on the east with the existing Glenwild Loop Trail on the west (please see attachment). The trail is proposed to be located within existing easements parallel to Wasatch Way and Wasatch Lane in Silver Creek, as well as in new easement segments obtained from select property owners (including the Bywater segment) and homeowners associations (The Preserve, Glenwild).

As shown on the attached site diagram, the Bywater segment of the trail is proposed to be located on an undeveloped parcel of land currently owned by the Bywater family. The trail easement area (20 feet wide) lies within an existing Questar easement and consists of 14,197 square feet (0.3259 acres). District and Service Area No. 3 Staff recently met on-site with Mike Nielsen, a representative of the Owner, to discuss the

trail project and the easement proposal. In subsequent conversations, the family agreed to sell the subject easement to the District for a fee of \$15,000.

If approved and the easement is purchased by the District, the trail will be constructed within the easement but away from the recently installed Questar gas line. The southern boundary of the easement is currently fenced close to the property line, and the District has agreed to install a new log fence along the northern boundary of the easement. The family hopes to develop the remainder of the property in the near future and wants the developable space fenced off from the easement area.

The District Board reviewed this proposal on October 16, 2013, and voted to allow for the purchase of the easement by the District to proceed.

Analysis:

District Staff has reviewed the proposal to see if it consistent with District policies and goals and concludes that it is. The District understands the importance of owning easements where our trails are located whenever possible. The purchase of the Bywater easement will help ensure that this important trail project can move forward and that long term trail access will be possible. Staff feels it would be beneficial for the District to purchase this easement so it can be owned and managed directly, rather than through a third party or other arrangement.

Summary:

In summary, District Staff feels the purchase of the Bywater easement will be beneficial to the District the community and the County Council should approve the purchase.

Motion:

The County Council approves the purchase of the Right-of-Way and Easement Grant from the Bywater family by the District for the fee of fifteen thousand dollars (\$15,000), and to authorize the District Director to execute the transactions necessary to complete the purchase.

WHEN RECORDED MAIL TO:
Synderville Basin Recreation District
5715 Trailside Drive
Park City, UT 84098

Space above for Recorders Stamp

PUBLIC RECREATION TRAIL EASEMENT AND ACCESS AGREEMENT

Property Owner: Bywater Trail Name: Wasatch Trail Parcel # SS-18-C-1 and SS-18-C-1-C

THIS EASEMENT AGREEMENT is made and entered into this ___ day of _____, 2013, by and between **HAROLD D. BYWATER** and **MARCHENE N. BYWATER ("Owner")**, and **SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT**, a special service district of the State of Utah, with offices at 5715 Trailside Drive, Park City, UT 84098 ("**SBSRD**"). Owner and SBSRD are sometimes collectively referred to in this Easement Agreement as the "**Parties**" or individually as a "**Party**."

RECITALS

WHEREAS, Owner is the owner of certain real property in SUMMIT COUNTY, Utah, more particularly described on **Exhibit A**, attached hereto and by this reference incorporated herein (the "**Property**"); and,

WHEREAS, The term "**Owner**" as used herein shall mean the possessor of any interest in the Property, whether public or private land, including a condominium association where the easement to be granted herein is located in a designated common area and an owner's association is empowered to grant easements over same; and,

WHEREAS, Owner desires to grant SBSRD an easement across a portion of the Property for the purpose of establishing a public, non-motorized trail, and assist in shaping the character, and direction of development of public accessible recreation trails throughout Summit County; and,

WHEREAS, SBSRD is a "public body," authorized to acquire interests in real property for purposes of developing and maintaining land for public recreational opportunities;

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Grant of Easement.

In consideration of the **sum of fifteen thousand dollars (\$15,000.00)** and other good and valuable consideration, receipt of which is hereby acknowledged, the Owner, hereby grants unto SBSRD:

A trail easement (**the “Trail Easement”**) on, over, under, and across the Property consisting of a corridor twenty (20) feet in width (**“Easement Corridor”**) lying along an alignment as described in the document attached hereto as Exhibit B-1, and as depicted in the sketch attached hereto as Exhibit B-2, and by this reference both exhibits are incorporated herein, for the duration and purpose set forth herein below and consisting of the rights hereinafter enumerated.

2. Duration.

The Trail Easement is granted in perpetuity and shall run with the land so as to be forever binding upon the parties hereto and their respective heirs, personal representatives, administrators, successors, and assigns.

3. Purpose.

The purpose of the Trail Easement is to preserve and maintain the area within the Easement Corridor for use, preservation, and maintenance of a right-of-way for a public, non-motorized trail (including pedestrian bridges as may be required over certain vegetation and/or across a culvert, hereinafter “Improvements”), for the use and benefit of SBSRD and the general public.

4. Rights Conveyed and Obligations.

The rights conveyed to and corresponding obligations imposed upon SBSRD by this Trail Easement are as follows:

A. To develop within the Easement Corridor a trail, including any Improvements, for non-motorized use(**“Trail”**), and to construct a wooden post fence along the northerly boundary of the Easement Corridor, hereinafter “Fence”. SBSRD shall have the right, but not the obligation, to maintain the Fence as deemed necessary and appropriate in SBSRD’s sole discretion;

B. To lay out, mark, develop, construct, maintain or relocate the Trail, Fence, and any Improvements, within the Easement Corridor;

C. To make minor topographical changes to the Property within the Easement Corridor for the necessity and convenience of locating the Trail, Fence, and any Improvements, (including improvements as needed to provide structural support and erosion control; e.g. drainage ditches, berms, import soils to build up to level grade, etc.;

D. To establish and maintain appropriate signage within the Easement Corridor marking the trail and providing directions or other appropriate information in connection with the trail. Signage will also designate said Trail on the Property “in honor of Christopher Nielsen”;

E. To enter upon the Easement Corridor for all reasonable and necessary construction, maintenance, and repair of the Trail and Easement Corridor, and to pursue same diligently to completion. Such maintenance shall include, but shall not be limited to weed spraying, re-treading, re-surfacing, and otherwise keeping the Trail in a serviceable and safe condition;

F. To manage vegetation within the Easement Corridor through removal and/or trimming of trees, shrubs, grasses or exotic or noxious plant species, in order to maintain appropriate sight lines (as determined necessary by SBSRD at its sole discretion), and otherwise as necessary to keep the Trail in a serviceable and safe condition and maintain the integrity of the Trail;

G. To maintain the Easement Corridor in a good, clean and sanitary condition, free from waste or litter and any condition that is offensive to the public health, safety or welfare or that constitutes a nuisance; and,

H. To ensure that no lien or claim of mechanics, laborers or materialmen will be filed against the Property, or any part or parts thereof, for any work, labor or materials furnished, alleged to have been furnished or to be furnished pursuant to any agreement by SBSRD regarding the Trail Easement.

5. Limitation on Use of the Trail Easement.

Public access on, over or across the Trail Easement is limited to access by foot or other non-motorized means except as follows: (a) use by motorized or battery propelled wheelchairs, (b) use by SBSRD operated motor vehicles for purposes of construction or maintenance of any trail that may be established within the Easement Corridor, and (c) use for emergency access for wild land fire and structural fire suppression, to facilitate search and rescue operations, or by public law enforcement personnel as deemed necessary for public safety.

6. Fees.

No fees shall be charged by Owner for use of the Trail Easement by the general public.

7. Liability.

Owner shall enjoy the limitations on legal liability involving public recreational use of the Trail Easement as provided for in *Utah Code Annotated (“UCA”) §§57-14-1 thru 7* (Limitations of Landowner Liability – Public Recreation) and *UCA §78B-4-509 (2)(b)* (Inherent Risks of Certain Recreational Activities).

8. Owner's Representations and Obligations.

A. Notwithstanding that the Trail Easement granted herein is without warranty, Owner represents that it is a possessor in interest of the Property, and that it has full legal authority to grant this Trail Easement to SBSRD free of liability for any lien or encumbrance previously placed thereon by Owner.

B. Owner agrees to maintain the Fence as necessary for SBSRD to use the Trail Easement in the manner and for the purpose as set forth in this Agreement.

9. Retained Rights.

Except for the rights expressly conveyed to SBSRD hereunder, Owner reserves to itself, its personal representatives, heirs, successors and assigns all other rights arising out of ownership of the Property, including, without limitation, the right to engage in, or permit or invite others to engage in, all uses of the Property **not expressly prohibited herein and that are not inconsistent or interfere with the terms and conditions of this Trail Easement** including, again without limitation, the following enumerated rights:

A. A right-of-way on, over, under, and across the Trail Easement for purposes of ingress, egress, placement of underground utilities for the benefit of the Property and adjacent property that is or may hereafter be acquired by Owner, the location of any such right-of-way to be designated by Owner at a future date; and

B. To relocate (but not terminate), the Trail Easement as described herein, provided that Owner shall first give SBSRD reasonable, (no less than sixty (60) days), advance written notice of Owner's intention to relocate the Trail Easement, and provided SBSRD agrees in writing with the new location. Upon any such relocation, SBSRD shall enjoy all rights conveyed herein with respect to the Trail Easement as relocated.

C. To landscape and install and maintain irrigation within the Easement Corridor, but not any portion of the Trail, subject to the right, but not the obligation of SBSRD to manage any such vegetation as provided for in **Section 4 Paragraph F** herein.

10. Enforcement.

The SBSRD shall have the right to enforce, through any permitted proceeding at law or in equity, including by specific performance, the terms, provisions, restrictions and requirements of this Easement Agreement. Any failure to insist upon the strict performance of or compliance with any of the terms, provisions, covenants and requirements of this Easement Agreement shall not result in or be construed to be an abandonment or termination of this Easement Agreement or any waiver of the right to insist

upon such performance or compliance with the terms of this Easement Agreement in the future. If any action or proceeding is brought because of a default under, or to enforce or interpret any of the covenants, provisions, or requirements of this Easement Agreement, the party prevailing in such action or arbitration shall be entitled to recover from the unsuccessful party reasonable attorneys' fees, (including those incurred in connection with any appeal), the amount of which shall be fixed by the court or the arbitrator and made a part of any judgment rendered.

11. Acceptance.

By its signature set forth herein below, SBSRD hereby accepts the foregoing grant of this Trail Easement subject to the terms and conditions herein contained.

12. Binding Effect.

This Easement Agreement extends to and is binding upon the parties and their respective heirs, personal representatives, successors and assigns.

13. Law.

This Easement Agreement shall be interpreted, construed, and enforced according to the laws of the State of Utah.

14. No Partnership Created.

The easements and rights-of-way reserved above are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any similar relationship between Owner and SBSRD, or as applicable, owners association and SBSRD.

15. Amendment.

This Easement Agreement shall not be modified or amended except by a written instrument executed by all Parties hereto and recorded in the official records of Summit County.

16. Entire Agreement.

It is hereby understood that this Trail Easement constitutes the entire understanding and agreement between the parties, and supersedes any previous agreement, representation, or understanding between the parties relating to the subject matter hereof.

17. Severability.

If any provision of this Easement Agreement shall be declared by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall remain in force.

IN WITNESS WHEREOF, the Parties have caused his/her/its name to be hereunto affixed this _____ day of _____, 2013 A.D.

OWNER:

HAROLD D. BYWATER

MARCHENE N. BYWATER

SBSRD
SYNDERVILLE BASIN SPECIAL RECREATION DISTRICT

BY: _____
Rena Jordan

ITS: Executive Director

Notary Blocks follow on next page

EXHIBIT A
(Legal Description of Property)

PARCEL SS-18-C-1

(Entry no. 434260, Book 897, Page 766)

Being located in Section 9, Township 1 South, Range 4 East, Salt Lake Meridian; more particularly described as follows:

Beginning at a point which lies North 0°19'24" East 484.00 feet from the Southwest corner of Unit F, Silver Creek Estates as recorded in the office of the Summit County Recorder; and thence North 89°40'36" West 470.00 feet, more or less, to a point which is 20 rods East from the section line; thence North 0°19'21" East 290.95 feet; thence South 89°40'36" East 1382.79 feet; thence South 12°35'38" West 247.00 feet; thence North 89°40'36" West 810.70 feet; thence Southwesterly along a 49.95 foot radius curve 70.13 feet to the point of actual beginning

EXCEPTING THEREFROM the following:

Being located in Section 9, Township 1 South, Range 4 East, Salt Lake Meridian; more particularly described as follows:

BEGINNING at a point which lies North 0°19'24" East 484.00 feet and North 89°40'36" West 125.7 feet from the Southwest corner of Unit F, Silver Creek Estates as recorded in the office of the Summit County Recorder; and running thence North 89°40'36" West 344.3 feet, more or less, to a point which is 20 rods East from the Section line; thence North 0°19'21" East 290.95 feet; thence South 89°40'36" East 344.3 feet, more or less, to a point North 0°19'21" East from the point of beginning; thence South 0°19'21" East 290.95 feet to the point of BEGINNING.

PARCEL SS-18-C-1-C

Being located in Section 9, Township 1 South, Range 4 East, Salt Lake Meridian; more particularly described as follows:

BEGINNING at a point which lies North 0°19'24" East 484.00 feet and North 89°40'36" West 125.7 feet from the Southwest corner of Unit F, Silver Creek Estates as recorded in the office of the Summit County Recorder; and running thence North 89°40'36" West 344.3 feet, more or less, to a point which is 20 rods East from the Section line; thence North 0°19'21" East 290.95 feet; thence South 89°40'36" East 344.3 feet, more or less, to a point North 0°19'21" East from the point of beginning; thence South 0°19'21" East 290.95 feet to the point of BEGINNING.

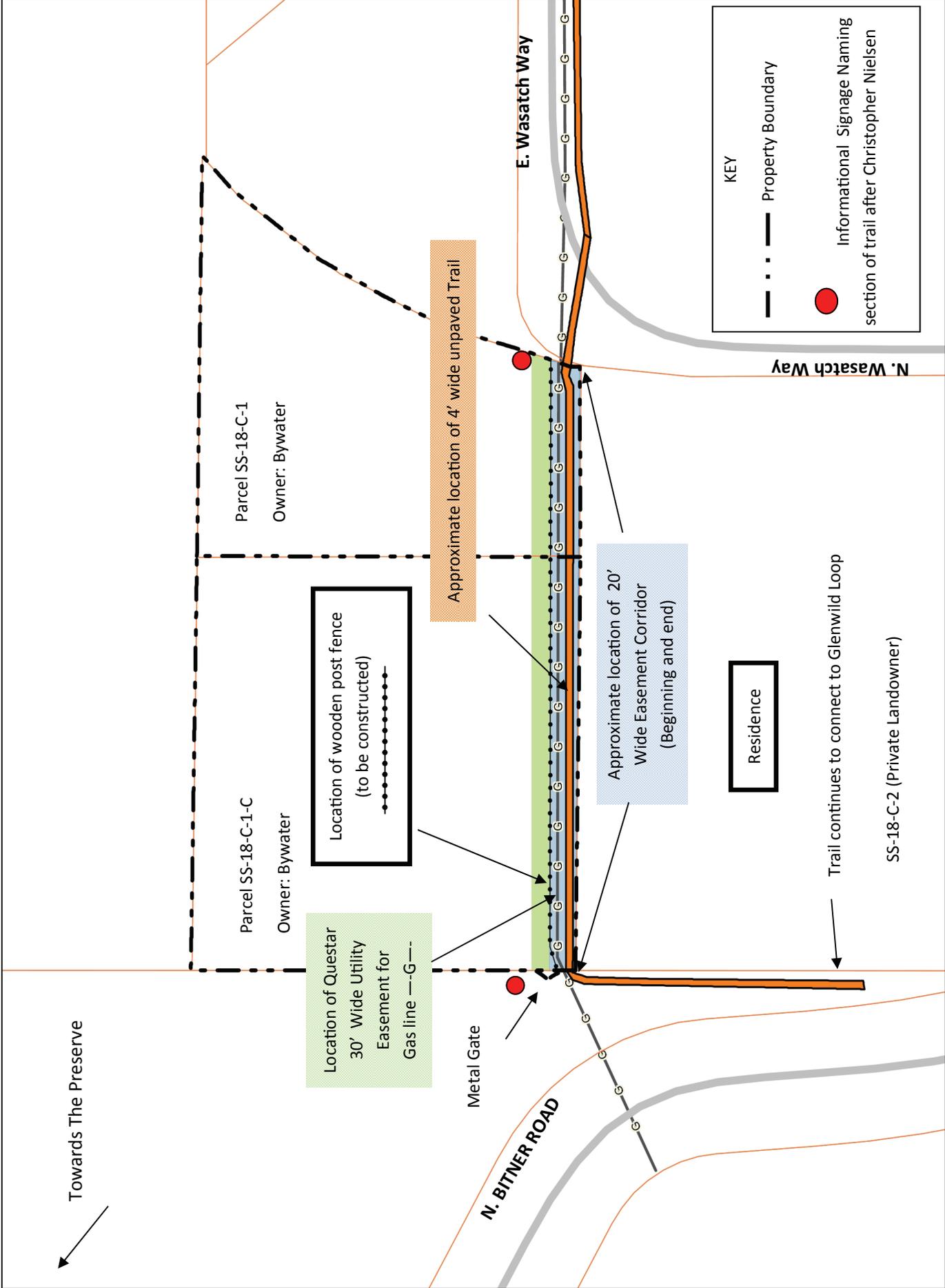
EXHIBIT B-1
LEGAL DESCRIPTION OF THE TRAIL EASEMENT

Trail Easement

Beginning at a point which is North 00°19'24" East 484.00 feet from the Southwest Corner of Unit F, in Silver Creek Estates, as recorded in the office of the Summit County Recorder; and running thence North 89°40'36" West 470.00 feet more or less to a point which is 20 rods east from the section line; thence North 00°19'21" East 20.00 feet; thence South 89°40'36" East 474.21 feet; thence Southerly 20.59 feet along the arc of a 49.59 foot radius curve to the left (Long Chord bears South 12°12'34" West 20.44 feet) to the point of beginning.

Contains 9428 square feet or 0.216 acres, more or less.

EXHIBIT B-2
BYWATER TRAIL EASEMENT (WASATCH TRAIL)





Glenwild Loop Trail

Underpass

**MANAGER'S REPORT
November 4, 2013**

To: Council Members
From: Robert Jasper

| <u>Department</u> | <u>Description of Updates</u> |
|-------------------|---|
| Administration | <p><u>Submitted by Robert Jasper, County Manager:</u> Documents and transactions are listed on the Manager Approval lists dated 10/10/13, 10/18/13, 10/24/13, and 10/31/13, posted on the website at: http://www.summitcounty.org/manager/index.php</p> |
| Auditor | |
| Assessor | |
| Attorney | <p><u>Submitted by Matthew Bates:</u></p> <p><u>Criminal Division Activity</u> The Criminal Division and the Victim Advocate provided domestic violence training this week to deputies and detectives at the Summit County Sheriff's Office.</p> <p><u>DISTRICT COURT CRIMINAL CASES FILED: 5</u> <u>CRIMINAL FILINGS OF INTEREST</u> Since October 1, 2013, the Summit County Attorney's Office charged the following individuals in district court with felony or class A misdemeanor crimes:</p> <p>Bruce Madsen Stucki, 48, of Holladay, Utah, was charged with criminal mischief. Witnesses assert that on September 29, 2013, Stucki walked up to a 1999 yellow Ducati motorcycle parked in on Swede Alley and pushed it over, causing more than \$1500 damage.</p> <p>Chauncey Owen Filler, 26, of Woods Cross, Utah, was charged with identity fraud, poaching, and providing false personal information to a peace officer. Agents with the Division of Wildlife Services (DWR) alleged that in February 2013 Filler used his twin brother's name to obtain a permit to hunt moose in Utah. Before the start of the hunting season, Filler obtained a driver's license using his twin brother's name. Filler had the license and permit in his possession on September 28, 2013, when he killed a bull moose in Summit County. When a DWR agent contacted Filler about the moose, Filler gave him the permit and license bearing his twin brother's name.</p> <p>Tyson Cody Sorenson, 25, of Park City, Utah, was charged with assault. Witnesses allege that on September 26, 2013, Sorenson got into an argument with another person in Park City and that Sorenson punched the other person. The assault caused a laceration above the victim's eye that required numerous stitches to close.</p> <p>Mofieleli S McAlister, 33, of Park City, Utah, was charged with sexual abuse of a child. She is alleged to have fondled the breasts and genitals of a girl under the age of fourteen. McAlister is currently confined the Summit County Jail on \$100,000 cash only bail.</p> <p><u>PLEAS, TRIALS, AND SENTENCES OF INTEREST</u> No court was held on Columbus Day, Monday, October 14th. The following update is from court hearings held on Monday, October 7th:</p> <p>Alecia Lynn Kap, of Morgan, Utah, pled guilty to DUI. On August 31, 2013, Kap attempted to drive her pick-up truck across the Park City municipal golf course. Park City police officers were summoned when she became stuck on a small golf cart bridge crossing a stream. During the accident</p> |

| <u>Department</u> | <u>Description of Updates</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|---|---|--|---|---|---|---|----|--|----|---|---|---|---|--|---|---|---|---|---|--|---|--|----|--|---|
| | <p>investigation, officers determined that Kap was intoxicated and performed a breathalyzer test on her. Her breath-alcohol level was .245, more than three times the legal limit. Kap was charged with a felony DUI because she has previously been convicted of automobile homicide. The court will sentence Kap on November 25, 2013.</p> <p>Anthony Ray Armstrong, 37, of Logan, Utah, was sentenced to 63 days in jail for a felony level DUI. On November 17, 2012, Armstrong was stopped in Park City for a traffic violation. The officer noticed that Armstrong smelled of alcohol and had glassy eyes and slurred speech. Armstrong submitted to a breathalyzer test that indicated that his breath-alcohol level was .234, almost three times the legal limit. Armstrong was charged with a felony DUI because he had been convicted of DUI twice in the last ten years. Armstrong's sentence included the jail, three years probation, a \$1500 fine, a prohibition on using or consuming alcohol, and mandatory substance abuse treatment.</p> <p>Kenneth S Kelly, 35, of Evanston, Wyoming, pled guilty to one count of theft and one count of criminal mischief, both second degree felonies. Kelly was part of a metal theft ring that repeatedly broke into an abandoned power plant in Summit County over a period of several weeks and stole copper wiring and brass fittings. Kelly and his codefendants sold the metal for scrap at metal recyclers in Salt Lake City. The court will sentence Kelly on November 25, 2013.</p> <p>Lehi Alexander Morantes, 18, of West Valley City, Utah, was sentenced to a year in jail for robbery. On June 8, 2013, Morantes and several others attempted to shoplift several items from the Walmart at Kimball Junction. When a store employee attempted to stop them, Morantes brandished a knife at her. Morantes' sentence included the jail, three years of probation supervised by Adult Probation and Parole, and mandatory drug and alcohol treatment.</p> <p>Ryan Leavitt, 28, of Orem, Utah, was sentenced to sixty days in jail for forgery. In July and August 2012, Leavitt stole checks from two residences in White Pine canyon in Summit County. He wrote two checks to himself for \$2000 each and forged the account holders' signatures. Leavitt's sentence includes the jail, three years probation supervised by Adult Probation and Parole, and seventy-five hours of community service.</p> <p><u>Victim Advocate Activity</u></p> <p style="text-align: center;">Summit County Victim Assistance Activity October 1-15, 2013</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Victim contact and Notification Packet sent out following offender being charged</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Victim Impact Statement assistance provided and Packet sent to victim with instructions</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Sentencing letter sent to victim with court sanctions and explanation</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Board of Pardons letter and registration of victims information for parole hearings</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Court Assistance provided to clients</td> <td style="text-align: center;">12</td> </tr> <tr> <td>Hearings attended on behalf of victims and results of outcomes provided</td> <td style="text-align: center;">18</td> </tr> <tr> <td>Court Prep and orientation in anticipation of testifying</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Protective Order assistance in filing, service of order and hearing assistance</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Civil Stalking Injunction assistance in filing, service of order and hearing assistance</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Child Protective Order assistance in filing, service of order and hearing assistance</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Pre-Trial Protective Orders/Jail No Contact Agreements contact victims and request order</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Callout with law enforcement i.e., unexpected death, rape, after hour calls, etc.</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Client Mtgs i.e., walk-ins and appointments</td> <td style="text-align: center;">13</td> </tr> <tr> <td>Children's Justice Center appointments with family or guardian during interview</td> <td style="text-align: center;">1</td> </tr> </table> | Victim contact and Notification Packet sent out following offender being charged | 8 | Victim Impact Statement assistance provided and Packet sent to victim with instructions | 6 | Sentencing letter sent to victim with court sanctions and explanation | 4 | Board of Pardons letter and registration of victims information for parole hearings | 0 | Court Assistance provided to clients | 12 | Hearings attended on behalf of victims and results of outcomes provided | 18 | Court Prep and orientation in anticipation of testifying | 3 | Protective Order assistance in filing, service of order and hearing assistance | 9 | Civil Stalking Injunction assistance in filing, service of order and hearing assistance | 2 | Child Protective Order assistance in filing, service of order and hearing assistance | 0 | Pre-Trial Protective Orders/Jail No Contact Agreements contact victims and request order | 2 | Callout with law enforcement i.e., unexpected death, rape, after hour calls, etc. | 3 | Client Mtgs i.e., walk-ins and appointments | 13 | Children's Justice Center appointments with family or guardian during interview | 1 |
| Victim contact and Notification Packet sent out following offender being charged | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Victim Impact Statement assistance provided and Packet sent to victim with instructions | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sentencing letter sent to victim with court sanctions and explanation | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Board of Pardons letter and registration of victims information for parole hearings | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Court Assistance provided to clients | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hearings attended on behalf of victims and results of outcomes provided | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Court Prep and orientation in anticipation of testifying | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Protective Order assistance in filing, service of order and hearing assistance | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Civil Stalking Injunction assistance in filing, service of order and hearing assistance | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Child Protective Order assistance in filing, service of order and hearing assistance | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-Trial Protective Orders/Jail No Contact Agreements contact victims and request order | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Callout with law enforcement i.e., unexpected death, rape, after hour calls, etc. | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Client Mtgs i.e., walk-ins and appointments | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Children's Justice Center appointments with family or guardian during interview | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| <u>Department</u> | <u>Description of Updates</u> | |
|-----------------------|--|---|
| | Restitution assistance i.e., submit claim forms to the Utah Office for Victim's of Crime, etc. | 4 |
| Clerk | | |
| Community Development | <u>Submitted by Pat Putt, Community Development Director:</u> See attached Community Development Reports | |
| Engineering | <u>Submitted by Leslie Crawford, Engineer:</u> <ul style="list-style-type: none"> • 4 Subdivision Reviews • Public Work/Engineering Projects <ul style="list-style-type: none"> ○ Lower Village Road <ul style="list-style-type: none"> ▪ Construction meetings ▪ Quantity Worksheets ▪ Inspection Report Worksheets ▪ Preparation of Supplemental Agreement #5 ▪ Quantity Update & Review ○ Summit Park <ul style="list-style-type: none"> ▪ Drawing ▪ Qty Update ▪ Pay Est. Corrections ▪ Track down Pay Estimates • Grama Requests for Woodenshoe Ranch Subdivision • 1 plat (mylar) correction • Year end project costs on 2013 projects • Flood Zone Review • Discussion of permit reviews with planning department • Participated in interviews for new Planning and Zoning Administrator • East Canyon Watershed meeting • Preparation and participation for Strategic Plan Meeting with staff • Redstone/Fox Point traffic discussion • Snyderville Basin Special Recreation District meeting for planning • Investigation of complaint on Chalk Creek • Personnel issues and development of solutions • Review of plans for Silver Creek sewer and waterline extension • Review of plans RVMA sidewalk project along Canyons Resort Drive • Overlay <ul style="list-style-type: none"> ○ Qty Review & Update ○ Pay Estimate • Right of Way Permit Activity <ul style="list-style-type: none"> ○ 13 Permits Issued, 4 on hold, 1 denied ○ 24 Field inspections (7 Questar, 11 Contractors, 1 homeowner, 1 complaint, and 13 new GovPartner permits) • Residential Permit Activity <ul style="list-style-type: none"> ○ 24 plans reviewed ○ 34 driveway inspections ○ 40 erosion control inspections ○ 3 code enforcement ○ 5 Bond Release Inspections | |
| Facilities | <u>Submitted by Mike Crystal:</u> Started tear out of south courthouse entrance Trimming trees at Coalville library The guys have been working on heat equipment | |

| <u>Department</u> | <u>Description of Updates</u> |
|------------------------|--|
| Health Department | <p>Winterizing sprinkler systems The housekeeping staff have been putting up some fall décor</p> <p><u>Submitted by Rich Bullough, Health Director:</u> <u>Injury Prevention: Health Promotion Program</u></p> <p>Injury prevention is a priority of the Health Promotion Program in the Summit County Health Department. Programs are school and community-based and focus on safe driving, infant car seat education/inspection, bike helmet education/distribution, and community health and safety programs. A recent program at North Summit High School included a mock crash demonstration.</p> <p><u>Mock Crash:</u> A mock crash, coordinated by Mandy Webb from the Health Department, was held on October 4th at the North Summit High School in Coalville. It consisted of a crash re-enactment involving students, EMS, North Summit Fire/ EMS, the Sheriff’s Office, Walker Mortuary, and several other partners. All High School students and faculty were invited to attend.</p> <p>During the simulation several students were injured with one fatality. It all began with laughs and talking, when a text was sent and the crash happened. Tarps were removed and students watched as the students involved rushed to check on each other. The 911 call was made and crews emerged on the scene taking care of those involved.</p> <p>An assembly was held following the crash where we had presentations from our students involved who described the heartache they felt and the consequences that followed. “No text is that important!” They explained what guilt they felt for not making good choices behind the wheel. Other presenters included: Officer Jed Williams, Lt Alan Siddoway with the Summit County Sheriff’s Office , Mike Owens with the Fire Department who also shared experiences that would encourage the students to never text and drive and always wear their seat belts.</p> <p>Angie Cooper, mother of the student fatality in the crash, tearfully read her daughters eulogy, and urging each person in the audience to pledge to never text and drive.</p> <p>Great feedback was received from students and faculty following the event, including the following comment from a faculty member, “I have personally committed to not phoning or texting while driving. I’ve only done this for 3 days, and it’s been hard. I didn’t realize how much time I spend on that phone. I am sharing my progress and commitment with my students.... It’s one of those assemblies where you will NEVER know how much impact you have had because the success is in silent prevention. Trust me, though, it had an effect on me.”</p> <p>Lieutenant Alan Siddoway also stated, “I recently participated in the mock crash at North Summit High School that Mandy Webb coordinated. I was extremely impressed with the coordination and time that she spent to orchestrate the mock crash. The crash is something that students and adults as well can benefit from if done correctly. Mandy was working in the shadow of a mock crash a few years ago that wasn’t well done and from which not much was gained. By her hard work and skill, she overcame the past failure and presented a very impactful and meaningful experience. This is witnessed by the comments on the feedback forms as well as the verbal feedback that I’ve heard. It is a pleasure to work with such a dedicated professional.”</p> |
| Information Technology | <p><u>Submitted by Ron Boyer, I.T. Director:</u></p> <p>We have helped the Auditor, Assessor, and Treasurer get ready to process the tax roll and get ready to send tax notices. Linda Vernon is being trained to do this process. When it is complete, the county will bill taxes for all entities in Summit County a total of \$125,553,262.70 on a total taxable property value of \$13,561,590.377.</p> <p>We experienced network issues on October 4th that shut down connections outside of the courthouse. It required a couple of employees Kory Vernon and Ed Woolstenhulme to work through the weekend. I have recognized them with HR for their dedication to get things up and running before Monday the 7th.</p> <p>Karsten has been very busy making forms available on the county website. Here is a list of new forms that are now or will be available:</p> <ol style="list-style-type: none"> 1. E Notify form – allows people to sign-up for agenda notifications, |

| Department | Description of Updates |
|---------------------------------|---|
| | <p>http://www.summitcounty.org/enotify/index.php</p> <ol style="list-style-type: none"> 2. Address Change form - allows people to change the mailing address for their property tax notice, http://www.summitcounty.org/recorder/acf.php. 3. EZPay form, allows people to sign-up for direct pay for property tax bills, http://www.summitcounty.org/treasurer/ 4. Motor Vehicle Refund form, (not posted yet) 5. We are also working on a form to let property owners sign-up to have their property tax notice emailed to them. 6. We have also updated the Public Art Page. <p>GIS has been getting two employees in the Records office setup for training on ESRI Arcview</p> |
| Library | <p><u>Submitted by Dan Compton, Library Director:</u></p> <p>The Library had its 2nd annual Staff Development Day on Monday (Columbus Day). A few Library staff members did training sessions and we were also fortunate to have Juan Lee from the State Library give a wonderful presentation about customer service. This was a great day for learning and team building.</p> <p>On Friday night, October 18th, we will be recognizing our Spanish GED class of 2013 at 6:00 p.m. in the Richins Auditorium. The Summit County Library had the good fortune of hosting a Spanish-language GED prep program this past year. The GED program is 1 of 5 programs under the umbrella of our adult literacy program for Spanish speakers, “¡Yo Puedo!” This program was funded by a generous grant from the Institute of Museum and Library Services and the Utah State Library. Although many speak English, the GED students were given an opportunity to obtain technical knowledge such as algebra, economics, physics, and chemistry in their first language. We were also able to pay for ½ of their book cost and ½ of their exam. Our GED students and their teacher, Ms. Munoz, have worked many long hours and late nights to achieve their goal. The ceremony will celebrate the achievements of those who have successfully completed the course and obtained their GED. Everyone is welcome to attend.</p> <p>Local filmmaker Jeff Chamberlain has agreed to let us do some small screenings of his film <i>Abandoned Mine</i> at each of our branches. Tickets will be required for admission as space is limited. Interested parties can inquire about tickets at their respective branches. Parts of the film were shot in Utah (Cedar Fort & Heber City). It’s a paranormal thriller about five school friends who seek adventure on Halloween night in an abandoned, haunted mine, only to find to their horror that the ghostly rumors may be true as they fight for survival.</p> <p>There is a class on “wintering” backyard chickens being offered by Gretchen Anderson at the Kimball Junction Branch on Thursday, October 24th at 6:00 p.m.</p> <p>There will be a poetry workshop offered by Nina Romano at the Kimball Junction Branch on Saturday, October 26th from 1:00-3:00 p.m.</p> <p>We are offering a Halloween Magic Show at the Kimball Junction Branch on Wednesday, October 30th at 5:00 p.m. for children of all ages. Children are encouraged to wear their Halloween costumes to the show</p> |
| Mountain Regional Water | |
| Park City Fire Service District | |

| | |
|-----------|---|
| Personnel | <p><u>Submitted by Brian Bellamy, Personnel Director:</u></p> <p>Personnel</p> <ol style="list-style-type: none"> 1. Jobs Advertised <ol style="list-style-type: none"> a. Equipment Operator I – Closed October 25 b. Early Intervention Physical Therapist – Closed October 25 c. Motor Vehicle Tech – Closes November 1 2. Applications Received <ol style="list-style-type: none"> a. Equipment Operator I – 33 b. Early Intervention Physical Therapist – 5 (3 withdrew) c. Motor Vehicle Tech - 21 3. Job Offers Made <ol style="list-style-type: none"> a. 0 4. Interviews/Testing set up - 15/0 5. Positions Advertised in 2012/2013 – 28/33 6. Applications received in 2012/2013 – 1271/1463 7. 1 new hire orientation 8. 5 E-verify (Due to Federal Government shutdown) 9. 0 seasonal employee furloughed 10. 0 letters sent to unsuccessful candidates 11. 2 employees out on Worker’s Comp 12. 0 employees returned to work from Worker’s Comp 13. 1 new Worker’s Comp claim filed 14. 3 employees on light duty 15. 1 new disability claim filed, includes FMLA documentation 16. 1 employee on short term disability 17. 1 unemployment claim filed 18. 1 employee resigned their positions 19. 1 employee retired 20. 0 employee terminated 21. 0 pre-employ drug test 22. 0 random DOT drug tests 23. 0 random DOT alcohol test 24. 0 post accident drug test 25. 20 employees met with 401k representative 26. 2 Strategic Planning Seminars presented by the University of Utah for the Community Development Department, Civil Attorney’s Division and the Engineering Division. 27. Worked with Department Heads and employees on evaluations 28. Met with Health consultant 29. Multiple meetings regarding Health Care 30. Met with PCFD, MRW, SBR regarding employee health insurance 31. Council set Health Insurance parameters 32. Finalized details of biometric testing at the LiVe Well Center and get contract approved 33. 51 employees participated in biometric testing 34. Administrative Law Judge Hearing regarding Animal Control citations 35. IT continuing to digitize former employee personnel records – now at the letter “L” 36. Met with County Manager regarding three policy changes 37. Multiple requests for salary and policy information from other agencies 38. Multiple telephonic and in person verifications of employment 39. Meetings regarding the 2014 Budget 40. Worked with two department heads and County Attorney regarding employee discipline issues |
|-----------|---|

| | |
|--------------|--|
| | <p>41. Met with other in-county Personnel Directors 42. Met multiple times with department heads and employees regarding employee issues 43. Met with consultant regarding employee issue 44. Continue to answer public inquiries regarding county employment 45. Serve county employee's needs</p> <p>Animal Control</p> <p>1. 14 dogs are in the shelter along with 37 cats. a. 31 new animals were received by Animal Control b. 4 dogs were transferred c. 8 cats were transferred d. 0 dogs adopted e. 1 cat adopted f. 8 dogs claimed by owner g. 0 cats claimed by owner</p> <p>2. Officers ran 113 details 3. Met with Leash Law Task Force</p> |
| Public Works | <p><u>Submitted by Derrick Radke, Public Works Director:</u></p> <p>Road Crew</p> <ul style="list-style-type: none"> • Completed construction of Curb, Gutter & Sidewalk along the frontage of the Weilenmann School to discourage illegal parking and promote safe school drop off and pick up. Fencing to be completed the following period. • Completed gravel installation and grading on Weber Canyon Road • Haul Road De-Icing Salt from Redmond, UT • Clean Culverts • Sign Build/Installation/Replacement (12), Replacement of Bridge and Guardrail markers (40) • Managed Contract Road Painting Crew • Budget Review w/Manager • Discussion with Union Pacific on Echo Road R/W <p>Weed Dept.</p> <ul style="list-style-type: none"> • Sterilize Rock Mulch along County Roads • Misc. Weed Spraying along County Roads <p>Solid Waste</p> <ul style="list-style-type: none"> • Took delivery of the new 950K loader at the 3-mile landfill. • Oct 15 was Joseph Tatton's last work day as he retired and Chad Martindale took his place. • Starting concrete addition to the HHW collection area at the 3-Mile Landfill <p>Working with Allied on a County-Wide mailer that will be mailed out in Nov. The mailer will have the collection/Recycling calendar on one side and what can and cannot be recycled on the other</p> <p>Wildland Fire</p> <ul style="list-style-type: none"> • Issued 18 burn permits, • Met with people on complaints on air quality rules on burning, insp. • 2 Building Permit Inspections related to Defensible Space • Investigated fire hazard in Sun peak on County checked and researched it is on Sun Peak HOA open Space. • Worked with Dough on Interface data. • Fire calls, 1) escaped burn in 10 mph winds gusts to 15, 2) Boulderville down power line, 3) Illegal burn on Border Station road, assisted with 3 loads of water to control fire. |

| | |
|------------------------------|--|
| | Burn piles in Uintalands (34), Monviso (500) form project work through the summer, 62 Piles in Manorlands (62) |
| Recorder | |
| Treasurer | |
| Sheriff | |
| Snyderville Basin Recreation | |
| USU Extension | |

COMMUNITY DEVELOPMENT

- The department received 18 new building applications and 3 new planning applications this past week as follows:

NEW BUILDING PERMITS October 10 – 16, 2013

| Number | Full Address | Description | Tax ID |
|-----------|----------------------------|---|-----------|
| 2013-1517 | 1446 RED FOX RD West | Retaining Wall | RRH-40 |
| 2013-1518 | 8118 No Address on File | Single Family Dwelling. | PP-25 |
| 2013-1524 | 1183 S West Hoytsville | Repairs to Shed | NS-599-1 |
| 2013-1519 | 147 SKY LN East | Furnace for barn | SAS-3 |
| 2013-1521 | 7445 BROOK HOLLOW LOOP RD | Lights - Change Out | BHV-2-38A |
| 2013-1522 | 1680 UTE Blvd West | Electrical | KJCC-2 |
| 2013-1523 | 2935 WILDFLOWER CT West | Interior Remodel | RHC-32 |
| 2013-1525 | 1665 NORTSHORE CT | Interior remodel | NSS-A-9 |
| 2013-1527 | 9116 UPPER LANDO LN North | Bathroom Remodel | JR-5-5034 |
| 2013-1532 | 3000 CANYONS RESORT DR | Electrical Upgrade / Dream Catcher Lift | WGC-1 |
| 2013-1533 | 8358 BITNER RANCH RD North | Single Family Dwelling | SS-16-B |
| 2013-1534 | 1375 LAMBERT LN West | Gas Line / Propane to Natural Gas | CD-588-B |
| 2013-1520 | 1198 HOYTSVILLE RD South | Garage | WRS-1 |
| 2013-1530 | 2044 MAHRE DR | Water Heater | MH-II-52 |
| 2013-1531 | 4939 No Address on File | Meter Set | CD-704-E |
| 2013-1526 | 1157 ARAPAHO DR West | Bathroom Remodel | FM-D-140 |
| 2013-1528 | 1115 OLD RANCH RD West | Photovoltaic permit | CBE-1 |
| 2013-1529 | 4084 BEAVER CREEK RD | Photovoltaic installation | SHA-429 |

**Planning Applications
October 10 - 16, 2013**

| Project Number | Description |
|----------------|--|
| 2013-756 | Alpine Acres Fulmer LOR Lot of Record CD-764-7 Alpine Acres Subdivision |
| 2013-757 | Tressa's Sign Sign Permit VKJ-34 6300 Sagewood Drive Suite D & E |
| 2013-758 | Spectrum Salon Sign Permit VKJ-1C 1664 Uinta Way, Suite C-1 |

Respectfully Submitted, Patrick Putt
Community Development Director

COMMUNITY DEVELOPMENT

- The department received 24 new building applications and 4 new planning applications this past week as follows:

NEW BUILDING PERMITS October 16 – 23, 2013

| Number | Full Address | Description | Tax ID |
|-----------|------------------------------|---|--------------|
| 2013-1530 | 2044 MAHRE DR | Water Heater | MH-II-52 |
| 2013-1531 | 4939 No Address on File | Meter Set | CD-704-E |
| 2013-1532 | 3000 CANYONS RESORT DR | Electrical upgrade / Dream Catcher Lift | WGC-1 |
| 2013-1533 | 8358 BITNER RANCH RD North | Single Family Dwelling | SS-16-B |
| 2013-1534 | 1375 LAMBERT LN West | Gas line / Propane to Natural Gas | CD-588-B |
| 2013-1535 | 1680 UTE Blvd West | Tenant Improvement for Pizza Hut | KJCC-2 |
| 2013-1536 | 210 ST MORITZ STRASSE | Water Heater Replacement | SU-J-75 |
| 2013-1537 | 7966 DOUGLAS DR North | Photovoltaic | TL-1-58 |
| 2013-1538 | 7871 ENGEN LOOP | Photovoltaic | KRD-13 |
| 2013-1539 | 1159 FOXCREST DR East | Photovoltaic | SSS-4-513 |
| 2013-1540 | 7516 WHILEAWAY RD W RD North | Photovoltaic | SL-H-493 |
| 2013-1541 | 1621 CUTTER LN | Deck | RPL-28 |
| 2013-1542 | 6600 TROUT CREEK CT | Addition | TCT-B |
| 2013-1543 | 2451 OVERLOOK CT | Basement Finish | BH-3 |
| 2013-1544 | 8008 GLENWILD DR | Single Family Dwelling | GWLD-III-189 |
| 2013-1545 | 1154 CENTER DR | Public Restroom | NPTCR-R-1 |
| 2013-1546 | 1723 UTE Blvd West | Electrical for Sign | VKJ-SPA-4A |
| 2013-1547 | 4865 SILVER SPRINGS DR | Window Change-Out | SOS-A-1 |
| 2013-1548 | 8248 WESTERN SKY | Single Family Dwelling | TCS-20 |
| 2013-1549 | 9184 UPPER LANDO LN North | Kitchen Remodel and Replace Existing Deck | JR-5-5038 |
| 2013-1550 | 7666 TALL OAKS DR North | Retaining Wall | EKH-A-E35 |
| 2013-1551 | 2931 TRADING POST | Temporary Power | TCS-46 |
| 2013-1552 | 1452 WILLOW LOOP West | Photovoltaic | SLS-98 |
| 2013-1553 | 1660 No Address on File | Single Family Dwelling | LR-3-253 |

**Planning Applications
October 17- 23, 2013**

| Project Number | Description |
|----------------|---|
| 2013-759 | Taco Bell Sign Sign 6516 N. Landmark Dr. |
| 2013-760 | Buzzards Roost Final Subdivision Plat Final Subdivision Plat NS-604-1-2 737 E. Bradbury Canyon Ln |
| 2013-761 | Backcountry.com Sign Sign 1678 Redstone Center Drive |
| 2013-762 | Moon Ag Exempt Ag Exempt CD-65 1550 Country Lane |

Respectfully Submitted, Patrick Putt
Community Development Director

COMMUNITY DEVELOPMENT

- The department received 22 new building applications and 11 new planning applications this past week as follows:

NEW BUILDING PERMITS October 23 – 30, 2013

| Number | Full Address | Description | Tax ID |
|-----------|---------------------------|--|--------------|
| 2013-1549 | 9184 UPPER LANDO LN North | Kitchen Remodel and Replacement Existing Deck | JR-5-5038 |
| 2013-1550 | 7666 TALL OAKS DR North | Retaining Wall | EKH-A-E35 |
| 2013-1552 | 1452 WILLOW LOOP West | Solar | SLS-98 |
| 2013-1559 | 2760 RASMUSSEN RD West | T.I. for a Salon - Electrical and Plumbing | SCCPS-D |
| 2013-1561 | 804 E 3200 North | This is a plumbing permit for the Pineda Barn | HPS-2 |
| 2013-1562 | 3126 QUARRY RD | Tenant Improvement - Yoga Studio | QJPB-A-4-1AM |
| 2013-1568 | 795 CHALK CREEK RD East | Single Family Dwelling | NS-408-1 |
| 2013-1569 | 1664 UINTA Way | AT&T Store TI / VKJ | VKJ-SPA-1C |
| 2013-1571 | 7077 PROMONTORY RANCH RD | Single Family Dwelling | BB-1 |
| 2013-1564 | 1664 UINTA Way | A tenant improvement for a Simply Mac retail space including the construction of new walls / partition and fixtures, with new plumbing, electrical, and HVAC systems | VKJ-SPA-1C |
| 2013-1563 | 1664 UINTA Way | A tenant improvement for a new retail space in suite B including construction of new walls / partition, fixtures, electrical, HVAC, and plumbing work | VKJ-SPA-1C |
| 2013-1570 | 265 PARKVIEW DR | Single Family Dwelling | SU-C-2 |
| 2013-1551 | 2931 TRADING POST | Temp Power | TCS-46 |
| 2013-1553 | 169 SAGE LN East | Single Family Dwelling | LR-3-253 |
| 2013-1565 | 4034 HIDDEN COVE RD West | 4034, 4014, 3998, Hidden Cove Rd Engineering #13-1158 Retaining Wall | JCVE-10 |
| 2013-1567 | 5171 COVE CANYON DR | New Furnace New Air Cond. | CSP-1C-B |
| 2013-1554 | 1095 ABILENE WAY | Solar PV | RPL-II-218 |
| 2013-1555 | 1232 CUTTER LN | Solar PV | RPL-II-69 |
| 2013-1556 | 1105 ABILENE WAY | Solar PV | RPL-II-219 |
| 2013-1557 | 500 TRAILS END East | Solar PV | NS-631-D |
| 2013-1558 | 1131 OLD RANCH RD West | Ground Mount Photovoltaic | CBE-2-AM |
| 2013-1560 | 1154 CENTER DR | Temporary Lighting | NPTCR-R-1 |

**Planning Applications
October 24-30, 2013**

| Project Number | Description |
|----------------|---|
| 2013-763 | Heineman LIP Low Impact Permit SL-A-63 1373 E. Pace Road |
| 2013-764 | Park City Baseball TUP Temporary Use Permit 1154 Center Drive |
| 2013-765 | Andrew Lot of Record Lot of Record CD-512 Unassigned-Kamas |
| 2013-766 | Weber Mountain Ranch PA Plat Amendment WMR-3 & WMR-4 Lots 3 & 4 Weber Mtn. Ranch |
| 2013-767 | Redstone Comprehensive Sign Plan Amend Sign Plan Amendment Redstone |
| 2013-768 | Park City Karate Sign Sign Permit 1612 West Ute Blvd, #210 |
| 2013-769 | Sundance 2014 Redstone 8 Special Event Special Event 6030 Market Street |
| 2013-770 | Sundance 2014 Temple Har Shalom Special Event 3700 North Brookside Court |
| 2013-771 | SS61 Partner BOA Board of Adjustment Ss-61 B9 Old Ranch Road |
| 2013-772 | White Investments Agriculture Protection Agriculture Protection PP-93 & PP-93-A SR224 & Bobsled Blvd |
| 2013-773 | Pizza Hut LIP Low Impact Permit 1680 West Ute Blvd, Ste. B |

Respectfully Submitted, Patrick Putt
Community Development Director

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, SEPTEMBER 11, 2013
COUNCIL CHAMBERS
COALVILLE, UTAH

PRESENT:

Claudia McMullin, *Council Chair*
Chris Robinson, *Council Vice Chair*
Roger Armstrong, *Council Member*
Kim Carson, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Kent Jones, *Clerk*
Karen McLaws, *Secretary*

WORK SESSION

Chair McMullin called the work session to order at 1:30 p.m.

- **Tour of residential zoning in Eastern Summit County; Pat Putt, Community Development Director**

The Summit County Council toured Eastern Summit County with Staff and Eastern Summit County Planning Commissioners from 1:30 p.m. to 3:30 p.m. to look at areas zoned residential in Eastern Summit County.

- **Discussion regarding residential zoning for Eastern Summit County; Pat Putt, Community Development Director**

Community Development Director Patrick Putt explained that they need to understand what is on the ground now, map it, and understand the ownership and parcel sizes. Going back to what existed prior to 2004 may solve part of the problem, but he would like to explore a function of reasonable density that would fit the road access, water, and sewer, and determine where those areas would be. They need to also consider where infrastructure could be expanded and created. Then they could develop a list of zoning options that could implement that on the ground.

Council Member Armstrong stated that he has a broader question about the expectations of citizens on the east side of the County. He asked if it is all right if everyone who has 40 acres can develop a 40-acre subdivision and can continue to develop 40-acre subdivisions next to each other. Eastern Summit County Planning Commission Chair Sean Wharton explained that a 40-acre parcel is only eligible for up to five lots. Council Member Armstrong asked if there is some consensus among the citizens in Eastern Summit County, because some people seem to be stuck with the idea that agriculture has been there for generations and do not want to move away from that. He believed they need to determine what the expectations are before they can decide what they can do and how they can fix it. Eastern Summit County Planning Commissioner Chris

Ure explained that more than 80% of the AP-40 zone does not consist of 40-acre parcels, and about 70% of the zone consists of parcels 5 acres in size or less. He agreed that they need to look at what exists, call it what it is, and stop dreaming that this will be a big agriculture producing county, because it is not. He did not believe going back to how it was before 2004 is the right thing to do, either.

Eastern Summit County Planning Commissioner Doug Clyde commented that there was a situation unknown to him and Staff in which, for a period of time, 40-acre zoning was in place, but there was no subdivision map, and people subdivided land into non-compliant parcels. He questioned whether those non-compliant parcels should be considered as the condition on the ground. Commissioner Ure explained that most of the acreage in each zone in Eastern Summit County does not qualify for base zoning. Commissioner Clyde explained that they do not know how big this problem is, and he believed they need to determine that first.

Mr. Putt presented a map of Eastern Summit County and explained that the Code requires an applicant for any land use to have a legally complying lot or a lot of record. A legally complying lot meets the minimum zoning requirements, but a lot of record is a tool that determines whether a parcel was created prior to 1977 or between 1977 and 1992 and met the zoning at the time. He suggested that they consider these to be grandfathered lots. He explained that they are compiling a database of the lots, and as people apply for permits, the first thing asked is whether they have a lot of record or a legally complying lot. Staff researches that information to see when the parcel was created, and they are now mapping those parcels as people make application and separating the legally complying lots and lots of record from those that are not. He explained that the lots that do not comply are not eligible for any kind of development.

Commissioner Robinson stated that he did not believe they should get hung up on the lot of record issue until they look at it further, because he recalled that they had determined how to fix a lot of those issues. Commissioner Clyde stated that this is not a lot of record problem as much as it is trying to deal with the issue that was discovered the other day.

Chair McMullin stated that she would like to see the municipal boundaries on the map so they can get a better idea of how many of the parcels are actually in the County.

Mr. Putt explained that Staff does not have all the base maps it needs to bring to the Council showing what is on the ground, and Staff would like to generate those maps. Commissioner Clyde explained that they need to get the “sub-par” subdivisions recorded and on the map, because right now they do not know how many exist. He acknowledged it would be a big database task to find the sub-par subdivisions. Mr. Putt explained that it can be done, but it will take some manpower and resources. He asked the Council to put aside the discussion of “amnesty” and what they have done to try to correct issues of lots that may not have been divided legally and focus on the planning exercise that needs to be done.

Council Member Ure asked if they should try to restore anything back to pre-2004 or whether they should move forward from today. Commissioner Wharton recalled that Eastern Summit County Planning Commissioner Mike Brown made a motion to hold a public hearing regarding re-establishing the Highway Corridor Zone to its pre-2004 status, and a majority of the Planning Commissioners voted in favor of it. He asked if they should hold that public hearing. Commissioner Clyde stated that he believed Mike Crittenden’s situation is unique and that he was damaged by the change in zoning, which he would consider spot zoning. But other property

owners were not damaged when the zoning changed. Council Member Robinson stated that he did not believe they could make a special dispensation because someone purchased property before or after 2004. He believed they need an equitable solution that works for everyone. Deputy County Attorney Dave Thomas explained that nothing is vested unless a person makes application during the time the zoning applies. If a person purchases property, does nothing with it, and the area is rezoned, there are no vested rights. Chair McMullin stated that she did not believe it is necessary to hold the public hearing that Commission Brown called for in his motion. Mr. Putt stated that, if they were to hold the public hearing, it should be narrowly focused on community input regarding creation of new residential zoning districts, including where growth should occur, how to determine whether growth is appropriate in certain areas, acceptable levels of density, and the acceptable levels of service that would be required.

Council Member Armstrong discussed the possibility of getting outside agencies involved in conservation of agricultural lands and operations.

Mr. Thomas asked if the land use map would be prepared with the intent of assigning future zoning or if it would be less firm. Mr. Putt replied that it would be less firm, and he would like to start with a small test area they can map and analyze quickly. When they have that, they could use it as a starting point for get community input.

Mr. Putt summarized that Staff will proceed to create a database for a study area, getting the base information quickly, discuss holding a public hearing with the Planning Commission, and come back with updates for the Council.

- **Discussion of the Summit County Health Plan; Brian Bellamy, Personnel Director**

Personnel Director Brian Bellamy provided a statistical report of the health plan through June 2013. He explained that the County has paid out about 94% of the premiums, and the balance of the funds goes into the pool. He noted that about 85% of the prescriptions are generic, which is very good. He recalled that reinsurance was set at \$150,000, and they have 21 claims above \$15,000, with the largest claim being \$119,000.

Council Member Carson stated that she has asked Mr. Bellamy to look at the possibility of lowering the reinsurance level.

Mr. Bellamy reported that 66 employees are on the High Deductible Health Plan, 205 on Select Med, and 63 on Select Care, with 38 on Select Care+, with 212 families, 94 two-party plans, and 66 single policies. He presented the prescription claims paid and explained that they include the run-out of 2012 prescription claims, which reflect the plan the employee was on in 2012. He described how the premiums are charged in 2013 by each entity in the insurance pool as shown in his staff report.

Park City Fire Chief Paul Hewitt explained that their utilization rates have gone down since they set up the health savings plan. Some employees think it is their money, and they are very cautious about spending it. A substantial savings has also been realized by incentivizing people to not participate in the health plan.

Mr. Bellamy explained that Health Care Reform will start to come into effect in 2014, and the County will pay about \$75,000 in taxes for that next year. He explained that SelectHealth has offered an increase in premiums of 2.54%, which is not bad. However, because the pool is not growing as fast as they would like, they would like to increase the contribution to the claims pool by another 3.97%. He recalled that they made substantial changes in the County's health plan last year, so they do not want to make big changes this year. He explained that the employee group that meets monthly has indicated they would like to see what is proposed for 2014 implemented. He reviewed the proposed County employees' health plan for 2014.

Mr. Jasper and Chief Hewitt discussed the philosophy of providing employees a financial incentive for not participating in the health plan. Mr. Jasper explained that his main goal is to be sure County employees have access to health insurance, and if they have it through their spouse, they would pay the employee an additional amount per month. Chief Hewitt offered to provide additional information regarding how incentivizing employees not to participate results in a net savings.

Scott Green with Mountain Regional Water explained that the University of Utah Hospital is not on the SelectMed network, and if they could have a High Deductible plan for SelectCare, more employees would be interested in a High Deductible plan. He explained that they have some employees with chronic illnesses, and that is the only place they can go.

Mr. Bellamy offered to return in a couple of weeks for further discussion of the health plan.

- **Discussion of Snyderville Basin Planning Commission recommendation regarding proposed Murnin-Kilgore (base camp) Consent Agreement; Jami Brackin and Sean Lewis**

County Planner Sean Lewis presented the staff report and indicated the location of the Murnin-Kilgore property on an area map. He explained that the parcel consists of just over 5 acres. He provided a history of the property, explaining that the County entered into a consent agreement in 2003 that vested the property for four buildings with 74,000 square feet of office/retail space. Of that 74,000 square feet, 6,000 square feet was to be a stand-alone, sit-down, national chain restaurant. Retail space would be limited to 3,000 square feet per retail unit on the bottom floor of the buildings, with office space on the second floor. The original agreement also required 25% open space. In 2007 the developers requested an amendment to the consent agreement with everything remaining the same except a reduction in size to 71,000 square feet. With that amendment, the developer was allowed to use either the original plan or the 71,000-square-foot plan. He explained that the developer is now requesting another amendment to the development agreement to propose three buildings that would fit a Hyatt House Hotel, with 110-120 rooms and no full-service restaurant. He clarified that there would be food service for hotel guests, but nothing that would draw people from outside. He reviewed the proposed hotel site plan. He explained that what was presented the Planning Commission was presented with a concept of whether they would prefer to see office/retail development on this site or a hotel. The developers indicated that traffic impacts would decrease by up to 76% with the hotel use rather than office/retail use, or a reduction of approximately 2,000 average daily trips. He noted that the Planning Commission did not get into the details of site planning but just discussed the concept of the use. A public hearing was held at the Planning Commission, and the Planning Commission requested that the developers hold a neighborhood meeting with the surrounding neighbors. The neighborhoods voiced support of the hotel after the open house based on the reduction in traffic.

However, concerns were raised regarding traffic accessing Canyons, and the neighbors do not like the idea of traffic from the hotel accessing Cooper Lane, even though it is the established secondary access to Canyons. He explained that the neighbors would prefer to see traffic go along Highway 224, and the Engineering Department would prefer to see it go along Cooper Lane, because they want to reduce traffic on Highway 224. The neighbors have asked the developer to provide signage requiring a left-turn only onto Sun Peak Drive, but the County cannot mandate traffic patterns.

Cameron Gunter, one of the applicants, explained that they can influence traffic patterns better with a hotel use than with retail/office uses, but it would be difficult to require a left turn only.

Planner Lewis reported that the Planning Commission voted unanimously to forward a positive recommendation with 11 conditions of approval for the hotel use, and Staff recommended that the County Council accept the Planning Commission's recommendation. Planner Lewis noted that Deputy County Attorney Jami Brackin has provided proposed language for amending the consent agreement as shown in an exhibit attached to the staff report. He stated that the developers have agreed to go through the final site planning process with the Planning Commission if the County Council chooses to amend the consent agreement.

Planner Lewis answered questions about the trail, trailhead parking, and signage for the hotel. He explained that the hotel would be subject to the current Sign Code, and signage would be part of the final site plan. Council Member Armstrong confirmed with Planner Lewis that, if this were retail/office space, there would be multiple signs.

Mr. Gunter stated that they have done everything they can to address the issues and concerns that were raised and have agreed to go back to the Planning Commission with the final site plan. He stated that they will do everything they can to decrease the impact on the neighborhood. He stated that Hyatt is partnering with the applicant, and he likes to work with them because of the quality of the rooms. He stated that this would not work with a lesser quality hotel.

Planner Lewis commented that the Council may want to consider the amount of potential hotel space in the Snyderville Basin. He explained that there is 6.5 million square feet of available potential hotel space at Canyons, another hotel is entitled at Quarry Village, and Staff gets calls on a regular basis from people who want to put hotels in the Snyderville Basin.

Chair McMullin stated that, generally speaking, she believes they would prefer to have hotels in resort cores or town centers rather than along the highway corridor. There is already a glut of hotel rooms with a low occupancy rate and many more coming on line. She expressed concern about the nature and the location of the use, but she appreciates having less traffic. She wished they could think of a better use for this parcel than a hotel, because she did not believe there is a need for another hotel, especially in the highway corridor.

Council Member Carson asked about the need for office/retail and commented that also appears to be fairly abundant right now.

Council Member Robinson asked about some of the changes in the consent agreement and discussed them with the applicant and Deputy County Attorney Dave Thomas.

The Council Members discussed the issue of additional traffic on Cooper Lane. Mr. Thomas explained that residents on Cooper Lane may not have known it was a designated access route when they purchased their homes. It has not been heavily used because the Canyons development has been so long delayed, and they became used to not having much traffic. Now they are upset because they have been presented with something that proposes use of Cooper Lane. Chair McMullin confirmed that Canyons needs the alternative access route on Cooper Lane, but she did not want to take a position on Cooper Lane. Council Member Armstrong noted that people from the hotel would only use Cooper Lane if they were going to Canyons. Council Member Robinson noted that local people are more likely to use Cooper Lane, and with the uses in the existing consent agreement, there would be 76% more traffic. He believed the consent agreement needs some editing and recommended that Staff and legal counsel review it and return in two weeks' time for action.

Council Member Armstrong stated that he would like to know whether office space is needed in the Snyderville Basin and the revenue impacts of both uses on the County. Mr. Gunter explained that a hotel use would generate the highest value in taxes, with TRT and sales tax revenues as well as property taxes. With the small retail uses currently approved for the site, the highest revenues would be about \$150 per square foot in sales tax annually. He offered to provide an analysis of the revenues.

Council Member Armstrong asked if there are noise restrictions on pools. Council Member Carson noted that the applicants will want to keep their guests happy and would be motivated to keep the noise down. Council Member Armstrong requested that the consent agreement be very specific about foodservice for the hotel.

Council Member Carson was excused from the remainder of the meeting.

REGULAR MEETING

Chair McMullin called the regular meeting to order at 6:15 p.m.

- **Pledge of Allegiance**

PUBLIC INPUT

Chair McMullin opened the public input.

There was no public input.

Chair McMullin closed the public input.

PUBLIC HEARING/POSSIBLE APPROVAL OF AN AMENDMENT TO THE CANYON CORNERS DEVELOPMENT AGREEMENT FOR PROPERTY LOCATED AT 6622 NORTH LANDMARK DRIVE, DAVID GEE, APPLICANT; JENNIFER STRADER, COUNTY PLANNER

County Planner Jennifer Strader presented the staff report and explained that the applicant is requesting an extension to the Canyon Corners Development Agreement. The agreement allows for only one 5-year extension, and it has already been extended for one 5-year period, which

expires in December 2013. The extension is requested due to economic conditions, illness of the property owner, and his inability to market the project. She noted that the property owner previously completed most of the required infrastructure and community benefits. The applicant has requested a 5-year extension, and the Planning Commission felt comfortable with a 4-year extension. Planner Strader explained that construction does not have to be completed within four years, but it does need to move forward. The extension would expire December 22, 2017. Staff recommended that the Council hold a public hearing and vote to approve the amendment to the Canyon Corners Development Agreement.

Chair McMullin opened the public hearing.

There was no public comment.

Chair McMullin closed the public hearing.

David Gee, the applicant, explained that this property has been tied up in probate, which is another reason for the requested extension. He explained that more than \$2 million in infrastructure has already been constructed. A bus shelter was to have been constructed, but the transit district did not require it because no buildings were developed. If the County would like an escrow for the bus shelter, the developer would be happy to provide it. He stated that they will also make a contribution to a traffic study.

Council Member Robinson made a motion to approve the Canyon Corners Development Agreement for property located at 6622 North Landmark Drive for four additional years with the following Findings of Fact and Conclusions of Law as shown in the packet:

Findings of Fact:

1. Canyon Corners is located on Parcel CANCOR-1 and is located in the Town Center (TC) zone district.
2. The Canyon Corners Development Agreement was recorded on August 4, 2004, and was effective for a five (5) year period, expiring on August 4, 2009.
3. The Agreement provides for a total of 61,000 square feet of retail and commercial density on 8.42 acres.
4. Section H(4) of the Agreement states, "Prior to the expiration of the initial five (5) year period, the developer may request one (1) additional five (5) year extension of this Agreement from the Board of County Commissioners."
5. In 2006, the developer installed the infrastructure for the project, including the landscaping, trails, crosswalks, bus turn-around, and sidewalks.
6. The remaining public benefits include the construction of a bus shelter and a financial contribution of \$150,000 to Summit County for traffic-related studies and/or improvements in the Kimball Junction area.
7. On October 1, 2008, the property owner requested an additional five (5) year extension to the Agreement.
8. On October 29, 2008, the BCC approved a five (5) year extension, resulting in an expiration of December 22, 2013.
9. On May 13, 2013, an application to amend the language regarding the duration of the Agreement was submitted to the Community Development Department.
10. On July 23, 2013, the SBPC voted to forward a positive recommendation to the SCC for an amendment to extend the duration of the Agreement for four (4) years, expiring on December 22, 2017.

Conclusions of Law:

- 1. The amendment will not modify the density, uses, or any other entitlements or requirements that were granted in the Agreement.**
- 2. Four (4) additional years allows time for the developer to proceed with reasonable diligence to commence construction of the approved buildings within the project and complete the remaining public benefits.**

The motion was seconded by Council Member Ure and passed unanimously, 4 to 0. Council Member Carson was not present for the vote.

PUBLIC HEARING TO RECEIVE COMMENT ON THE VACATION OF A PUBLIC ROAD RIGHT-OF-WAY COMMONLY REFERRED TO AS SPRING CANYON ROAD LOCATED IN SECTIONS 25, 26, 27, 28, 36, T1N, R5E, SLB&M; SECTION 31, T1N, R6E, SLB&M; AND SECTIONS 6, 7, 8, 9, 10, 16, 17, T2N, R6E, SLB&M; DERRICK RADKE, COUNTY ENGINEER

PUBLIC HEARING TO RECEIVE COMMENT ON THE VACATION OF A PUBLIC ROAD RIGHT-OF-WAY COMMONLY REFERRED TO AS EAST LEG OF SPRING CANYON ROAD LOCATED IN SECTIONS 31, 32, 33, T1N, R6E, SLB&M, 4, 5, 6, T2N, R63, SLB&M; DERRICK RADKE, COUNTY ENGINEER

County Engineer Derrick Radke presented the staff report and explained that the County received two petitions to vacate public interest in Spring Canyon Road. The first petition was from Harold and Justin Hobson, who reside on Hoytsville Road. The second petition was submitted by the Judd Family Investment Company for the east leg of Spring Canyon Road. He explained that these two items have been scheduled for a public hearing but not for a decision this evening. He reported that notice was mailed to everyone within 1,000 feet of the road and that notice was published in the newspaper and on the County's website. Notice was also sent to the Utah Department of Transportation (UDOT). He stated that he has had multiple verbal conversations with various property owners but has not received written comment. Most of the people with whom he spoke were in favor of the road being closed. He noted that Glen Brown indicated he would like to speak to this issue but was unable to attend the meeting this evening and requested that the Council hold the public hearing open. He presented a map showing the location of Spring Canyon Road and noted that the east leg of Spring Canyon Road is on the current Class B gas tax inventory and is shown on the 1950 map but is not shown on the 1971 map. He stated that the 1971 map shows the area currently on the County's inventory, but the 1950 map shows the road extending much further. He explained that sometimes the County makes an amendment to the map because they do not take care of the road, or sometimes UDOT does an audit and finds a locked gate and modifies the map. He indicated the east leg of Spring Canyon Road on the map and explained that the Judd family has indicated that only they own property above that road. He indicated that a gate on Spring Canyon Road was locked last year, and he has talked to people who say the County has never maintained the road and do not know why it is on the map. He stated that in November 2012 he was contacted by an attorney representing a property owner along Spring Canyon Road claiming that they had been locked out of the area. Subsequently, the County Attorney's Office issued a warning letter to the property owner to remove the gates as this is shown on the map as a public road. He explained that once a road shows up on the Class B or Class D map as a public road, it remains a public road until it is officially vacated by the road authority. He stated that, after the letter was received by the property owner, the lock was removed, and he received the two petitions for vacation in July 2013. He noted that a lawsuit has been filed in Third District Court to prove the public status of

the road. He explained that a decision to vacate or not is a policy decision made by the County legislative body acting as the highway authority, and a road vacation must be evidenced by an ordinance adopted by the legislative body. Previously, the County Council has reviewed five criteria to help in making road vacation decisions as shown in the staff report, along with Staff's analysis of the criteria as they apply to the requested road vacations. Staff recommended that the County Council conduct a public hearing regarding the proposed road vacations, consider the public comment and information in the staff report, and provide direction to Staff regarding whether to prepare an ordinance to vacate the road. He explained that legal staff has requested that the petitions be denied or that no decision be made until the lawsuit has time mature or a decision is made by the court.

Mr. Thomas clarified that the lawsuit is a quiet title action to ask the court to declare the road to be a public road.

Chair McMullin opened the public hearing on the main Spring Canyon Road vacation.

Dave Elmont explained that there was an extended period without access along the main portion of Spring Canyon Road when his clients were denied access. Since then, they have received a key and have access, but that is not the issue. The issue is a legal right to maintain access that does not depend on the good will of the property owners who maintain the gate. He stated that he spent more than a year trying to negotiate reciprocal easement agreements to be sure his clients have a legal right to ingress and egress to their property, but they have nothing in writing that gives them lawful access to their property. The lawsuit at first requested prescriptive easement rights, but when the County took the position that this is a public road, they amended the complaint for declaratory relief, because if it is a public road, that resolves the access issues. He quoted from State statute that the right-of-way and easements, if any, of a property owner and the franchise rights of any public utility may not be impaired by vacating or narrowing any road. He explained that he represents the Willoughby Family and Schriber Family, who jointly own property on Spring Canyon Road. Council Member Robinson stated that he could not see a conflict with what the County does when it vacates a road and State statute. He stated that when they vacate a road, it is subject to pre-existing private rights, franchise agreements, and prescriptive rights. He explained that they cannot vacate private rights that individual property owners would have; they just vacate the public's interest in the road. Mr. Elmont explained that they do not yet have a decision that this is a public road, and a court has already exercised jurisdiction to answer that question. If a party takes the position that they do not need to worry about that because the County has already vacated it even if it was a public road, that would take away one of his clients' legal rights of making sure they have access to the property and would leave them only with the issue of prescriptive rights and what those circumstances area. Right now they do not have reciprocal easement agreements, and the applicants wanted to charge his clients for them. His clients should not have to pay for an agreement if they already have public access. He explained that his clients purchased their property from their parents and did not have access at all from the time they purchased the property in 2003 until 2011. Only after their parents died and they inherited their range shares were they able to get access. He stated that his clients would prefer to have the road vacated if they were able to obtain reciprocal access easements on the road.

Tom Chappell stated that he knows Mr. Elmont's clients had a key to the gate in 2003 and access to their property, and in gaining access to their property, they were on other property, which was a problem. He did not know what happened to their key after 2003. Chair McMullin verified with Mr. Chappell that there was a locked gate in 2003. Mr. Chappell stated that no one had a written right-of-way on the Spring Canyon Road prior to about a year ago, but some do now. He talked to Bill Judd today, who said he would give an easement if he has to, but he has never denied the Willoughby-Schriber families from crossing his property to theirs. He did make it clear to them that they only have access to their 40-acre piece and not access to his property. Mr. Chappell stated that the main road has historically been locked, and his father-in-law who was born in 1926 said the road has been locked as far back as he can remember. Council Member Ure confirmed with Mr. Chappell that he is referring to the upper gate, not the lower gate. Mr. Chappell stated that they would like the vacation to start at the upper gate, where the Class B status stops, which is above Mr. Brown's property. He believed the lock was moved lower on the road because of some fence issues and livestock getting out, and it was easier to maintain the fence and control the livestock at that lower gate. If the lock goes on the upper gate, they will do the fencing to control the livestock. Mr. Chappell stated that his mother-in-law remembers the gate being locked in 1953, because she had trouble with the lock when she went to the sheep camp. He stated that the current road was built in about 1981 when the oil well was built at Sargent Lakes, but after the first mile, the new road is not near the original 1950 road except in a few places. He stated that the current property owners maintain the road, and the County has never offered to help with it. He claimed that the land owners were not notified when the road was constructed in 1950 that it was a County road, and they were not compensated. However, whatever the process was, he believed the land owners should have had some input that the County was going to put in a road and collect gas tax from it. He stated that this is all private property, they all have livestock there, and it is difficult to farm in public areas.

David Bird, legal counsel for the Florence J. Gillmor Foundation, stated that the Foundation owns 4,600 acres beginning in Section 10 at the top of Spring Canyon Road and has been used for livestock work for several generations. The access to that property is on Spring Canyon Road, and sometime during the last 90 years, a gate was put across the road. The Foundation does not belong to the range group and does not have keys, and they always have to ask for access to the road and have someone open the gate and escort them to their land. He stated that the Foundation currently uses the property for grazing, but it does not exist to operate grazing. It exists to benefit the beneficiaries, which means the highest and best use of the property, which will probably be development. He stated that they have tried to get conservation easements without success. If this road is not a public road, the development potential would no longer exist. They might be able to get a private easement across the road, but they would lose the benefit of public access to the property. He stated that they are sympathetic to animal trespass issues, because animals have trespassed onto the Foundation's property over the years, and they have spent a good amount of money putting up fences. He requested that the County not vacate the road, because it would put the Foundation at a disadvantage economically and cause them problems. Mr. Thomas asked if the Gillmor Foundation is a party to the lawsuit. Mr. Bird replied that he was not aware anything was going on until the lawsuit was filed. He stated that the first petition is wrong, and he would file a motion to intervene in the lawsuit on the side of the plaintiffs, because it is in their interest to be sure that access to the property remains.

Bill Judd, representing the Gloria B. Judd and a family trust, stated that the Willoughby and Schriber property is in the middle of 4,000 acres and has never been part of the East Hoytsville Range Company. He stated that the Judds have always been good neighbors and friends to the Gillmor family, and there was never a problem, even when they trailed their sheep through this area. He stated that there is not a family in Summit County that likes locked gates more than the Gillmor family does. He stated that the Willoughby/Schriber property is in the middle of their ranch, and they have never been denied access to their property and will always have access as long as they have a key. If they have not been able to get to their property, it is not the Range Company's fault, and it is not their responsibility, because they were never part of the Judd Ranch. He stated that he has met Realtors over the years who have shown the property, and he has never said anything to them other than that they only own 40 acres in the middle of their ranch, and they would appreciate it if that is all they use. They do not care what the Willoughby/Schriber family does on 40 acres, and they have been sued by the Willoughby/Schribers for about three years, but he still does not know what they want.

Lane Sargent, president of the East Hoytsville Range Company, stated that since he has been involved in the Range Company, the Willoughbys and Schribers have never been denied a key to the road and no one from the Range Company has ever denied them access to the road. He stated that they have been dealing with this lawsuit for two or three years and have told the plaintiff that they can use the road because they are a member of the Range Company, which gives them access to the road. He claimed that he has told them that personally. They have told him over the years that they need a recorded easement in order to sell their land, which he believes is the reason for the lawsuit. Council Member Armstrong stated that should apply to all the property owners, because if they ever wanted to sell a piece of property in the future, they would need a recorded easement in order to sell the property. Council Member Robinson stated that, as citizens, the Willoughbys and Schribers have a legal right to use the public road. If the road is vacated, they would have to rely on the good graces of the Range Company to continue to let them in. Mr. Sargent stated that he could not think of one positive reason why the County would benefit if the road is not vacated. He was unaware of any future development rights on the 40 acres owned by the Willoughbys and Schribers, and no one else has shown any interest in selling. He stated that they have had deaths from snowmobiles there and have tried to keep the gate locked. He stated that people get in who have access to snowmobiles and 4-wheelers, and he did not know why the County would want future lawsuits associated with that. He asked how long it would be before the Council makes a decision on the vacation. Chair McMullin replied that the earliest it could be noticed for a decision would be in two weeks.

Justin Hobson stated that he is requesting the road vacation from the first gate. He explained that the locks have been moved down to the first gate periodically as they moved cattle since 1981, depending on the time of year. He stated that the confusing part about the road vacation is that, since all the property is private, to him it is about personal property rights. He asked why cars and public buildings can be locked, but they are not allowed to lock their private interests when the general public becomes detrimental to what they are trying to do with their property. He stated that people come in and abuse their public right on his private right, and he is petitioning for the vacation so they can control their interests in agriculture and protect their private property. Council Member Armstrong asked how often they see the public on their property. Mr. Hobson replied that, since the road has been opened, he has seen people there every time he has been there this summer. He has seen foot trails on ledges and rocks where people have been trespassing. He agreed that they have a legal right to be on the road itself, but the existing road is not even in the County's right-of-way. He stated that the public has been using the road since

the locks have been removed, but they do not just use the road; they use the private property on the side of the road as well.

Sarah Sargent stated that her father-in-law is Brad Sargent with the Hoytsville Range Company. She stated that she lives on the Hoytsville Road that leads to the locked gate and has five small children. She commented that she has seen an extreme number of people go up the road at all hours of the night and day. She has also seen joggers and bikers, and her chickens have been eaten by dogs that come with the joggers. She stated that she has also had to bring her children into her house because the dogs will not leave her property. She stated that they see people up there two or three days a week and ask them to get off their property. She stated that she has seen children younger than 8 years old there on ATVs. She asked who would be liable for people who get hurt if they use the road for public access and get hurt. She stated that the dogs chase the cattle and asked how the ranchers and farmers would be compensated because people are up there using their land. Chair McMullin explained that they would have a claim against the person who trespasses. Ms. Sargent explained that, if this was not a public road, they would not have the situation.

Michael Brown, representing Glen Brown, stated that their concern is the bottom portion of the road between the two gates, because they own property between the two gates. He explained that their property actually crosses the County road, and if it is vacated, they would need rights on that road. He stated that in the 50+ years since they have owned the property, they have had unrestricted access to their property. For as long as he could remember, the gate above their property was always locked, and the bottom gate was put in place because of fencing issues and trying to control the cattle, and they did not oppose it because they understood the reason behind it. The bottom line is that they did not want to maintain the fences, and it was easier to put the gate up. Over time a lock was put on the gate, and his family was given a key to the gate, but they have always been opposed to a lock on the gate even though they have access to a key. He did not believe they should be locked out of their property. They are not part of the Range Company and have no interest in getting involved in the discussion of vacating the road above the upper gate. He emphasized that their only issue is between the two gates. He explained that they have actually put their own lock on the lower gate so they would not have to chase down a key to get to their own property, but the lock would be cut off and thrown in the garbage. Even though the Range Company says people were never denied a key, they were denied access to their property when they could not put their own lock on the gate without it being cut off. He stated that they have had unrestricted access for years, and if the County vacates the road and puts them into the prescriptive rights situation, they are not interested. He would rather that the road be vacated at the upper gate. He explained that they would have to deal with rights-of-way through their property if the road were vacated at the lower gate. He explained that they have a lot of record which has development rights on it, and they have an interest in protecting that right. Council Member Armstrong confirmed with Mr. Thomas that, if the road were vacated from where the Brown property is located, and they were to put up a gate and a no trespassing sign, it would lock out everyone above them unless they built a new road through property that is not their own. He noted that the vacated road would become private property through the land owned by the various landowners, and if there were a falling out with anyone in that chain of property going up the road, any of them could block the road, which means any property owner could land lock any property further up the road. Council Member Robinson clarified that the existing property owners' rights to use the road are not prescriptive rights, by virtue of this being a public road. When a public road ceases, the time period for acquiring prescriptive rights begins, and if people block off the road, everyone is without access. Mr. Brown stated that they

learned of this when they received the public hearing notification in the mail. He believed if they were going to be affected by this action, they should have been approached to see if they wanted to participate. He believed vacating the road starting at the lower gate would only compound the problem.

Allan Bell stated that it is his understanding that no land owners below the Schriber property are interested in denying them access. He stated that he moved into his home in 1981, and at that time the lower gates were not in place. He stated that his father-in-law could not keep locks on the upper gate because they would be cut off and shot off, and he asked him to put in the lower gates. He does not care whether they vacate the road between the gates, but he would like to have an opportunity to control the upper gates better, because he does not want to have to chain them every night. He stated that, since the locks have been removed, the traffic up and down the canyon has continued to increase. He has seen people trespassing off the road, and there has been no control short of someone patrolling the area. He asked the Council to vacate the road from the lower gate up and adamantly asked them to vacate from the upper gate up. He stated that there is no question that this is private property. He stated that the road from Hoytsville road up was built by Exxon Oil Company. He appreciates that the County plows the road from his house down. He stated that he understands the Class B road ends at the lower gate, and the Class D road begins.

Dave Elmont stated that his client has lost three contracts for the sale of their property because title insurance was not available due to the access issue. He stated that is the key issue here, not whether people are being kind and decent.

Katherine Judd Chappell stated that she believes the number one consideration should be use of the property above the gate, which is all agricultural. She asked the Council to consider how vital it is to these property owners to be able to lock the gate and keep the property private.

Chair McMullin closed the public hearing for the main Spring Canyon Road vacation request.

Chair McMullin opened the public hearing for the east leg of the Spring Canyon Road vacation request.

Grant McFarland stated that Donald and Louise Judd called him to tell him they had been enjoined in a lawsuit about the Schriber/Willoughby property, initially to adjudicate a restrictive right-of-way and demonstrate that they have a right to go up that road to their 40-acre parcel. He indicated the location of the 40-acre parcel and the Donald Judd property. He asked the Judds if they had any resistance to the Schribers and Willoughbys using the road, and they said they have never denied access and do not have an issue about their right to continue to use the road to access their property. They contacted the plaintiff's attorney and requested to be removed from the lawsuit, and the attorney requested a reciprocal easement agreement. They negotiated and signed a reciprocal easement agreement, but then the plaintiffs replied that they have amended the pleadings to declare this a public road. When they decided to pursue that claim, they decided to keep the Judds in the lawsuit. Mr. McFarland stated that the Judds have no dispute with the plaintiffs regarding whether the road is public or private and have stipulated to that effect and consider themselves to be out of the lawsuit. He believed many property owners did not realize this was ever a public road and considered it to be a service road. He stated that the Judds would like to see the portion of the road that is entirely on their property vacated, because no one on that portion of the road has a right to any abutting private property. That portion of the road does

not provide access to any public property, industry, or real estate development, and there is no reason why the general public needs to be on that road. He stated that the Judds would like to be able to lock the gate on their property to keep out hunters and enclose the livestock.

JaNae Judd Blonquist stated that she is completely in favor of vacating the east leg of Spring Canyon Road, which is completely on the Helen C. Judd Range Company land.

Chair McMullin closed the public hearing for the east leg of the Spring Canyon Road vacation.

Chair McMullin commented that she believes the application for the east leg of Spring Canyon Road comports with all the elements for a road vacation. She directed Staff to prepare findings of fact, conclusions of law, and an ordinance for vacation of the east leg of Spring Canyon Road for a decision at the next meeting.

Council Member Robinson stated that he does not want to vacate the main Spring Canyon Road when there is so much disagreement among the private land owners as to how to gain access. He recommended that the landowners get together, if they really want to vacate the road, and grant reciprocal easement agreements for all the land owners without consideration and return with a united request. He believed they should deny the vacation until the parties are on the same page and allow the court decision to play out. Mr. Thomas suggested that, rather than denying the request, the Council take no action so it will not influence the court decision.

Council Member Ure stated that he traveled up Spring Canyon Road from the mid-60's to the mid-80's, and he verified that he always had to get a key to the upper gate and that he knows the gate was locked. He believed the gate was justifiably locked, and he has sympathy for keeping people out of the Range Company land and allowing them to keep their cattle there. However, if the road has been declared a public road since 1950, the applicants must go through the vacation process. He was definitely not in favor of vacating the road between the lower gate and upper gate and noted that there is a public water works in the area. He was not prepared to take any action this evening and would like to consider this further.

Chair McMullin agreed with Council Member Robinson, but if she were to vacate the road, she would condition it on everyone along the road giving each other easements so they have access to the road. She would not be willing to act as long as a lawsuit is pending, but if there is no longer a lawsuit pending and everyone has given each other easements, she would be willing to vacate the road.

Council Member Armstrong stated that he would be willing to vacate the road if all the easements are in place to protect everyone. He explained that it is legally significant for the land owners to have the easements in place to protect their assets, because if their property becomes land locked, the value of that property would be gone.

Council Member Robinson stated that he would like have the road shown on the County's Class D road map if it is not currently shown on the map.

The applicants for vacation of the main Spring Canyon Road asked if they could lock the gate again. Council Member Armstrong stated that he would prefer to see the status quo and that the applicants should leave the gate unlocked.

CONVENE AS THE BOARD OF EQUALIZATION

Council Member Armstrong made a motion to dismiss as the Summit County Council and to convene as the Summit County Board of Equalization. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0. Council Member Carson was not present for the vote.

The meeting of the Summit County Board of Equalization was called to order at 8:10 p.m.

CONSIDERATION OF APPROVAL OF 2013 STIPULATIONS

Board Member Armstrong made a motion to approve the 2013 stipulations as presented. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0. Board Member Carson was not present for the vote.

DISMISS AS THE BOARD OF EQUALIZATION AND RECONVENE AS THE SUMMIT COUNTY COUNCIL

Board Member Robinson made a motion to dismiss as the Summit County Board of Equalization and to reconvene as the Summit County Council. The motion was seconded by Board Member Armstrong and passed unanimously, 4 to 0. Board Member Carson was not present for the vote.

The meeting of the Summit County Board of Equalization adjourned at 8:11 p.m.

MANAGER COMMENTS

Mr. Jasper reported on an indigent death in the County and stated that he authorized cremation and burial of the remains. He also explained that there was a request to consider rebidding the County's liability and property insurance this year, and after talking to Staff, he would like to wait until next year, assuming the insurer stays within the three-year range they gave the County.

COUNCIL COMMENTS

Council Member Armstrong requested that the Council receive an update from the Sheriff's Office on gang activity in the County.

The County Council meeting adjourned at 8:15 p.m.

Council Chair, Claudia McMullin

County Clerk, Kent Jones

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, SEPTEMBER 25, 2013
COUNCIL CHAMBERS
COALVILLE, UTAH

PRESENT:

Claudia McMullin, Council Chair
Chris Robinson, Council Vice Chair
Roger Armstrong, Council Member
Kim Carson, Council Member

Dave Thomas, Deputy Attorney
Kent Jones, Clerk
Brian Bellamy, Personnel Director
Annette Singleton, Office Manager
Karen McLaws, Secretary

CLOSED SESSION

Council Member Robinson made a motion to convene in closed session to discuss litigation. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

The Summit County Council met in closed session from 2:55 p.m. to 3:25 p.m. for the purpose of discussing litigation. Those in attendance were:

Claudia McMullin, Council Chair
Chris Robinson, Council Vice Chair
Roger Armstrong, Council Member
Kim Carson, Council Member

Dave Thomas, Deputy Attorney
Brian Bellamy, Personnel Director
Annette Singleton, Office Manager

Council Member Armstrong made a motion to dismiss from closed session and to convene in work session. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0.

WORK SESSION

Chair McMullin called the work session to order at 3:25 p.m.

- **Update on public land issues; Ken Brown, Western Counties Alliance**

Ken Brown with the Western Counties Alliance (WCA) provided an update on public land issues. He explained the Payment in Lieu of Taxes (PILT) and stated that the goal is to get full PILT funds on some permanent basis. He explained that the funds are paid each year in June. With regard to public land transfer, he explained that some people would like to see public lands all owned by the federal government, but he believed that is unlikely. He stated that WCA has not put any money into it, and if the process moves forward, they will stand away. He reported

that Summit County lost \$8,697 in Secure Rural Schools (SRS) funds this year and explained that 50% of SRS money in Utah goes to roads and 50% goes to the school districts with no strings attached. He stated that the counties have done a good job of using the portion that goes to roads to keep the school bus routes safe.

Mr. Brown reported that the states are submitting their sage grouse plans to the Fish and Wildlife Service. He noted that Fish and Wildlife has recently backed off their numbers and has not been willing to admit that there are higher numbers of sage grouse than they have indicated, so they are now focusing more on habitat areas. He stated that they hope the bird does not get listed, because it is not necessary, as the numbers are being restored.

Mr. Brown announced that the Eastern Arizona Association of Counties, which consists of five Arizona counties, has just taken formal action to become a member of WCA. That is good news, because they have not previously had members in Arizona. He stated that currently seven counties in Utah belong to WCA and explained that the fee to join ranges from \$3,000 to \$4,500, depending on what the counties can afford. He requested that Summit County join the WCA, as a number of the issues they work on affect Summit County.

- **Interview applicant for vacancy on the Summit County Restaurant Tax Advisory Committee**

The Council Members interviewed Lorrie Hoggan for one vacancy on the Restaurant Tax Advisory Committee.

CONVENE AS THE BOARD OF EQUALIZATION

Council Member Robinson made a motion to convene as the Summit County Board of Equalization. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization was called to order at 4:00 p.m.

CONSIDERATION OF APPROVAL OF 2013 STIPULATIONS

Board Member Armstrong commented that some of the explanations provided by Staff are difficult to understand. Board Member Carson suggested that she and Board Member Armstrong read the stipulations at the beginning of the week and send their questions to Staff.

Board Member Armstrong made a motion to approve the 2013 stipulations as presented. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0.

REVIEW RESUMES OF HEARING OFFICERS

The Council Members reviewed the resumes for William Kelly and William Kranstover.

DISMISS AS THE BOARD OF EQUALIZATION

Board Member Armstrong made a motion to dismiss as the Summit County Board of Equalization. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization adjourned at 4:05 p.m.

CONVENE AS THE GOVERNING BOARD OF THE SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT

Council Member Robinson made a motion to convene as the Governing Board of the Snyderville Basin Special Recreation District. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

The meeting of the Governing Board of the Snyderville Basin Special Recreation District was called to order at 4:05 p.m.

CONSIDERATION AND POSSIBLE APPROVAL OF THE ACCEPTANCE OF THE LIBERTY PEAKS OPEN SPACE PARCEL BY SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT FROM COWBOY PROPERTIES; RENA JORDAN AND WILL PRATT

Board Member Robinson asked why this item is coming to the Governing Board. Deputy County Attorney Dave Thomas explained that, based on the Code, the Governing Board retains the authority over acquisition and disposal of real property. Board Member Robinson asked about the trail issue. Will Pratt, Recreation District Planning and Project Manager, explained that with the new underpass near Whole Foods, they have proposed a different trail through the open space rather than waiting for trails to be developed at the tech center. They approached the developer about getting an easement through Lot 2 at the tech center, and Cowboy Properties suggested that the Recreation District take title to the parcel. Recreation District Director Rena Jordan explained that the tech center has an obligation to allow the trails through the tech center, but they are far from being ready, and their proposed trail connections go through parking lots. The trail locations are so undefined that the Recreation District tried to define an alternate trail connection and learned that Cowboy Partners owns the parcel where the trail connection would be made. Board Member Robinson asked if the financial obligation to build the trail would be shifted away from the developer by doing this. Ms. Jordan explained that the developer did not have a financial obligation to build the trail; they had an obligation to provide the easements. She explained that this alternative will actually provide a better trail experience. Mr. Pratt explained that this went to the Recreation District Administrative Control Board, and they made a recommendation to the Governing Board for approval. He stated that the developer has requested feedback and approval from the Governing Board before taking this to their bondholders. He provided the proposed language that would keep them covered on their development approvals. Mr. Thomas stated that the language is unusual and clarified that the developer had some obligations under the overall development agreement with regard to this open space, but now they will be deeding it away. They do not want to lose credit for the open space, and he has no problem with the language, even though it is unusual. Board Member Robinson believed that, if the developer is looking for something binding, it should be done

through an amendment to the development agreement. Mr. Thomas explained that it would be an amendment to the site plan, not the development agreement, and they could approve this with a condition that the amended site plan will include language showing that the developer will retain credit for the open space.

Board Member Carson made a motion that the Snyderville Basin Special Recreation District accept the Liberty Peaks Open Space Parcel from Cowboy Partners conditioned on an amendment to the final site plan that would include language regarding Cowboy Partners retaining credit for the open space. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0.

CONSIDERATION AND POSSIBLE APPROVAL OF A MEMORANDUM OF UNDERSTANDING REGARDING THE TRANSFER OF SUMMIT PARK OPEN SPACE FROM THE UTAH DIVISION OF FORESTRY, FIRE, AND STATE LANDS TO THE SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT; RENA JORDAN AND WILL PRATT

Mr. Pratt explained that the Division of Forestry, Fire, and State Lands owns the parcel and holds the conservation easement on it. They generally do not like to hold both title and the easement, so they approached the Recreation District about taking title to the parcel, with the State retaining the conservation easement. The purpose of this item is to approve the Memorandum of Understanding regarding the transfer of open space to the Recreation District. He reported that County Legal Staff has reviewed the Memorandum and incorporated some changes.

Board Member Carson asked about the piece of land in the middle and asked if it is part of this transaction. Mr. Thomas explained that it is carved out of the open space parcel and is landlocked. He explained that the MOU contains a provision that, in the future, if the easement holder and the Recreation District agree, they can develop the road to that parcel.

Board Member Armstrong asked about the existing 25-year agreement with the Forest Service for trails maintenance. Ms. Jordan explained that the Recreation District pays to maintain the trails, and that comes from their operating budget. She explained that they also budget for maintenance of the other open space parcels that belong to the District.

Board Member Robinson asked why both Summit County and the Recreation District are parties to the agreement. Mr. Thomas explained that the County is a party because of the possibility that it may maintain the road. The only liability Summit County would have is if it accepts the road as a public road. The circumstances that would cause the County to accept it as a public road would be if someone requests that the County accept it as a public road or if a subdivision were approved on the 25-acre parcel and it was shown on the subdivision plat that the roads would be public roads. At that point the County would have to determine whether to accept it as a public road. Board Member Carson stated that she does not see the road as being related to the overall ownership of the land and sees it as a separate issue. Board Member Robinson requested that Staff verify that the easement in the Memorandum is the easement for this road.

Chair McMullin stated that she believes they need more information and are not ready to take action. She wanted to know why Summit County has to be a party to the MOU, and if they have to be a party to it and there is an easement, she would like the easement defined. She also requested answers to Board Member Robinson's questions, that they carefully look at the title report, and that the road be plotted. Board Member Robinson stated that, if they are going to land lock the 25 acres, he would like to know what is proposed on that property.

Board Member Carson made a motion to dismiss as the Governing Board of the Snyderville Basin Special Recreation District. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0.

The meeting of the Governing Board of the Snyderville Basin Special Recreation District adjourned at 4:50 p.m.

REGULAR MEETING

Chair McMullin called the regular meeting to order at 5:00 p.m.

- **Pledge of Allegiance**

CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE #803-A, AMENDMENTS TO TITLE 5, CHAPTER 2 OF THE SUMMIT COUNTY CODE (RE: OPEN BURN NOTIFICATION), CRIMES AND OFFENSES; KEVIN CALLAHAN, PUBLIC WORKS DIRECTOR

Public Works Director Kevin Callahan recalled that this item was previously discussed in work session, and the Council was in favor of extending the burn notification season by 60 days, requiring notice from April 1 through October 31 each year. This item has been noticed for action, and he recommended that the Council adopt an ordinance amending the start date for open burn notification.

Council Member Robinson made a motion to approve Ordinance #803-A to extend the notification period for controlled burns. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE #814, AMENDMENT TO TITLE 1, CHAPTER 14 OF THE SUMMIT COUNTY CODE, OPTIONAL PLAN OF GOVERNMENT (RE: CANCELLATION OF A MEETING)

Mr. Thomas explained that this amendment allows for a County Council meeting to be cancelled at the discretion of the Chair.

Council Member Robinson made a motion to approve Ordinance #814 amending Title 1, Chapter 14 of the Summit County Code regarding cancellation of a meeting. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

**CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE #815,
AMENDMENT TO TITLE 2, CHAPTER 27 OF THE SUMMIT COUNTY CODE,
SUMMIT COUNTY SERVICE AREA NO. 3 (SILVER CREEK); DAVE THOMAS,
CHIEF CIVIL ATTORNEY**

Chair McMullin asked if the purpose is to make this ordinance comport with Ordinance #197 from 1992. Mr. Thomas explained that powers were added to the Service Area in 1992 through Ordinance #197, and this ordinance would insert those powers into the Code provisions. He clarified that it would not change anything that does not already exist. He noted that the attorney for the Service Area has requested that the County Council table this item until the Service Area Board has had a chance to review it. They have expressed concerns about the tax rate, but that does not apply to this ordinance. Chair McMullin suggested that the Council hold a work session with the Service Area 3 Board to discuss their issues and concerns. The other Council Members concurred.

Chair McMullin commented that there was an issue about the Service Area 3 mill levy exceeding the maximum statutory rate in 2012. Mr. Thomas explained that there was some confusion. A mill levy of .0023 is allowed if a service area provides law enforcement in a county of the first or second class. Because the 1992 ordinance granted limited authority to set speed limits, that somehow triggered an increase in the mill levy. However, that was in error, because Summit County is not a county of the first or second class. The maximum mill levy for the service area is .0014 with a statutory exception for general obligation bonds, and to the extent the Service Area has general obligation bonds to pay off, they would be allowed to go above the statutory cap. However, that has nothing to do with the action the Council is being asked to take.

Chair McMullin asked why this ordinance is coming to the Council now. Mr. Thomas explained that it was recently brought to his attention that the 1992 changes had not been codified. The County Attorney has a statutory requirement to bring this type of thing to the Council and remedy it if something of this nature is brought to their attention.

Kenneth Naylor, Chair of the Service Area 3 Board, stated that this item came to their attention today. He did not understand why the County was requesting increased powers for the Service Area, but he now understands the issue. His deeper concern is improving communications between the Service Area and the County. He stated that they would welcome a work session to discuss this and other issues relative to their relationship with the County. However, he would not want it to be a forum for people who are running for the Board to pontificate.

Council Member Armstrong asked if there was a legitimate objection to putting the powers into the Code. Mr. Naylor replied that the only objections would be because of people's feelings, because there is sensitivity to granting those powers after the fact. Council Member Armstrong asked if Mr. Naylor would like the County to revisit the powers granted in 1992. Mr. Naylor replied that he would not. Council Member Armstrong asked what happened in 1992 that caused these powers to not be put in the Code. Mr. Thomas explained that the County codified all of its ordinances in 1992, and this one was inadvertently missed.

Council Member Robinson made a motion to table this item to a later date. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

Chair McMullin requested that they hold the second meeting of October at the Richins Building and hold a work session with Service Area 3.

ADVICE AND CONSENT OF COUNTY MANAGER TO APPOINT MEMBERS TO THE SUMMIT COUNTY PUBLIC ARTS PROGRAM AND ADVISORY BOARD

Council Member Armstrong made a motion to consent to the Manager's recommendation to appoint Lisa Hale and Erin Bragg to the Public Arts Program and Advisory Board, with their terms to expire July 31, 2016. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

ADVICE AND CONSENT OF COUNTY MANAGER TO APPOINT MEMBER TO THE SNYDERVILLE BASIN OPEN SPACE ADVISORY COMMITTEE (BOSAC)

Council Member Armstrong made a motion to consent to the Manager's recommendation to appoint Nell Larson to the Snyderville Basin Open Space Advisory Committee (BOSAC), with her term to expire on the first Thursday in March 2016. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

CONSIDERATION AND POSSIBLE APPROVAL OF INTERLOCAL PROGRAM AND FUNDING AGREEMENT AMONG UDOT, UTA, SALT LAKE CITY, SANDY CITY, COTTONWOOD HEIGHTS, TOWN OF ALTA, PARK CITY MUNICIPAL CORPORATION, SALT LAKE COUNTY, SUMMIT COUNTY, WASATCH COUNTY, AND METROPOLITAN WATER DISTRICT OF SALT LAKE AND SANDY

Council Member Robinson made a motion to approve the Interlocal Program and Funding Agreement as presented. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

CONTINUED DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED SECOND AMENDMENT TO THE MURNIN-KILGORE (BASE CAMP) CONSENT DECREE

Mr. Thomas explained that this is a request for an amendment to a consent decree, which was entered into in settlement of a lawsuit. Provisions in the Code allow the Manager to settle legal disputes, but land use decisions require the consent of the Council.

County Planner Sean Lewis recalled that at the meeting two weeks ago the Council requested that the Attorney's Office look into the formatting of the agreement and a report regarding the difference in revenues to the County between the hotel use and the office/retail use.

Council Member Robinson recalled that there was an outstanding issue of the setback from the riparian area, but he understood the applicant had met the County's request, and it is no longer an issue. Mr. Thomas explained that a new conceptual site plan was included in the packet which meets the County's requirement.

Council Member Carson recalled that at the last meeting it was brought up that the County's goal has been to keep the hotel and lodging in the resort area or town center, and this falls outside of those areas. She asked if the County would set a precedent in this situation as it relates to the General Plan. Planner Lewis stated that he did not believe they would set a precedent, as it has been more of a practice than a policy to develop hotels in the Town Center and Resort Center.

Chair McMullin asked if a hotel would be allowed on this parcel if this were not a consent decree. Planner Lewis replied that he was not certain and offered to research it. Chair McMullin asked how the other commercial development along Highway 224 was approved. Planner Lewis replied that some of the uses pre-date the Code, and a number of commercial establishments were developed through some sort of development agreement. Chair McMullin commented that she believes the underlying zoning is meaningless for this parcel in this area. Planner Lewis confirmed that a hotel with more than 16 rooms is a conditional use in the Community Commercial Zone. He noted that the Town Center and Resort Center do not have any identified uses by right, and development in those zones must be done by an agreement. Because of the consent decree, the zoning for this property is office/retail, and the question is whether they want the hotel use, which is a less intensive use than the office/retail use.

Chair McMullin noted that the consent decree was originally for 74,000 square feet of retail/office space, and then it was amended to 71,000 square feet. She asked why the applicant is now proposing 74,000 square feet. Mr. Thomas explained that the first amendment was an either-or amendment. The owner could either develop the original 74,000 square feet or develop an alternative plan, which was 71,000 square feet.

Chair McMullin asked about the analysis of tax revenues. Alison Weyher stated that she met with the Auditor's Office this morning, and they explained that the tax revenues for the hotel would be much more reliable. She explained that tax revenues from the office/retail uses would be speculative, because they do not have any data to look at. Chair McMullin asked if generally speaking a hotel use would be a higher tax revenue generator than an office/retail use. Ms. Weyher replied that it would be, because they know they would get sales tax, transient room tax, and property tax revenues from the hotel. An office/retail use would not generate a lot of sales tax revenue or TRT tax. However, the numbers are all tentative at this point, depending on the types of uses that might go into the retail/office space. Council Member Robinson asked if Ms. Weyher is swayed either direction by the economic analysis or if it is just a data point to consider. Ms. Weyher replied that the analysis shows that they will get more revenue from a hotel than from the projected office/retail/restaurant use, and she believed that should be one component of the Council's decision. She also believed it is important to consider the land use and the impacts associated with the land use. Chair McMullin stated that, assuming there are only two options, they would have higher revenues and fewer traffic impacts with the hotel. The negative would be that they have a hotel in a non-resort center or town center but very close to a resort center. She asked if the fact that the hotel is outside a resort center outweighs the fact that it is much less impactful and provides higher revenues.

Planner Lewis noted that the Planning Commission provided a unanimous recommendation in favor of the hotel use, and at the neighborhood meeting, the neighbors were in favor of the hotel use. Chair McMullin noted that the applicant has held two neighborhood meetings and had two public hearings at the Planning Commission level. The fact that, after all this, the neighborhood

is mostly willing to accept the hotel use, she is not dissuaded by a few recent complaints. For her the issue is whether she is overly concerned that the hotel is a quarter mile or half mile from a Resort Center.

Council Member Armstrong stated that he believes the revenue and traffic are important, but the retail/office use revenues are speculative, so they do not know how much revenue they would generate. From the standpoint of the County and Park City and joint economic development, there is very little benefit from a hotel other than tax revenues. He believed they would have an opportunity with the office space to recruit the types of businesses that would contribute to the community. He believed a restaurant would contribute more to the community than a hotel, because members of the community can use the restaurant. He believed there are broader issues and was troubled with a hotel in the highway corridor. He stated that it looks like there will be a substantial reduction in traffic, but there would also be an immediate increase in traffic, because the office/retail/restaurant use would have a slower roll out. He was unsure and stated that this is a difficult decision.

Council Member Robinson stated that, if he were not on the County Council, he would not know where the resort core starts and ends, and he believed the proximity of this hotel to Canyons is close enough that he would not consider it to be lodging sprawl. He believed the economic benefits and reduced traffic are important, and the hotel would be set far enough back from Highway 224 to preserve the visual corridor.

Council Member Carson stated that she shares some of Council Member Armstrong's concerns, but she particularly appreciates the input of the community and that there will be input on the final site plan. She has struggled with this but is prepared to support the proposal.

Chair McMullin stated that Council Member Ure indicated to her that he is in favor of the proposal.

Council Member Robinson made a motion to consent to the Manager's execution of the Second Amendment to the Murnin-Kilgore (base camp) Consent Decree as shown in the staff report. The motion was seconded by Council Member Carson and passed by a vote of 3 to 1, with Council Members Carson, McMullin, and Robinson voting in favor of the motion and Council Member Armstrong voting against the motion.

MANAGER COMMENTS

Personnel Director Brian Bellamy reported on behalf of County Manager Bob Jasper that this Saturday morning, September 28, will be the Community Wildfire Preparedness Fair. He also reminded the Council Members of the Under One Sky event on September 30.

COUNCIL COMMENTS

Chair McMullin requested that the budget hearings be scheduled for December 11 and 18, with the meeting on December 11 being at the Richins Building, and the meeting on December 18 in Coalville. She asked if the Snyderville Basin Development Code envisions community benefits any more. Mr. Thomas explained that community benefits are only required in the Town Center and Resort Center. Community Development Director Patrick Putt explained that community benefits are only required on specific SPA applications, and they are negotiation-based.

Council Member Carson reported that she attended the UAC Board of Directors meeting this morning, and one issue was how to deal with a tax referendum because of the short time period. She stated that UAC has decided to endorse a position that rate setting when it is done in August is an administrative function, not a legislative one.

APPROVAL OF COUNCIL MINUTES

AUGUST 7, 2013

Council Member Carson made a motion to approve the minutes of the August 7, 2013, County Council meeting as written. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

PUBLIC INPUT

Tom Chappell recalled that the Council said two weeks ago that they would make the final decision on vacation of the east leg of Spring Canyon Road this week. Chair McMullin apologized that they had overlooked getting it on the agenda. Mr. Chappell thanked the Council for their patience and understanding at the meeting two weeks ago and for the decision they made at that time, which he believed was best for everyone involved. He asked if he could return next week to see the process completed. Chair McMullin assured Mr. Chappell that the Council would pass the ordinance at 6:00 p.m. at next week's meeting.

The County Council meeting adjourned at 6:10 p.m.

Council Chair, Claudia McMullin

County Clerk, Kent Jones

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, OCTOBER 2, 2013
COUNCIL CHAMBERS
COALVILLE, UTAH

PRESENT:

Claudia McMullin, *Council Chair*
Chris Robinson, *Council Vice Chair*
Roger Armstrong, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Jami Brackin, *Deputy Attorney*
Kent Jones, *Clerk*
Karen McLaws, *Secretary*

CLOSED SESSION

Council Member Ure made a motion to convene in closed session to discuss litigation. The motion was seconded by Council Member Robinson and passed unanimously, 3 to 0. Council Member Armstrong was not present for the vote.

The Summit County Council met in closed session from 2:15 p.m. to 2:25 p.m. for the purpose of discussing litigation. Those in attendance were:

Claudia McMullin, *Council Chair*
Chris Robinson, *Council Vice Chair*
David Ure, *Council Member*

Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Brian Bellamy, *Personnel Director*

Council Member Ure made a motion to dismiss from closed session to discuss litigation and to convene in closed session to discuss personnel. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0.

The Summit County Council met in closed session from 2:25 p.m. to 2:45 p.m. for the purpose of discussing personnel. Those in attendance were:

Claudia McMullin, *Council Chair*
Chris Robinson, *Council Vice Chair*
Roger Armstrong, *Council Member*
David Ure, *Council Member*

Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Brian Bellamy, *Personnel Director*

Council Member Robinson made a motion to dismiss from closed session. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

CONVENE AS THE BOARD OF EQUALIZATION

Council Member Robinson made a motion to convene as the Summit County Board of Equalization. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization was called to order at 2:45 p.m.

CONSIDERATION OF APPROVAL OF 2013 STIPULATIONS

Board Member Robinson made a motion to approve the stipulations as presented. The motion was seconded by Board Member Armstrong and passed unanimously, 4 to 0.

DISMISS AS THE BOARD OF EQUALIZATION

Board Member Robinson made a motion to dismiss as the Summit County Board of Equalization. The motion was seconded by Board Member Armstrong and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization adjourned at 2:47 p.m.

CONVENE AS THE ECHO SEWER SPECIAL SERVICE DISTRICT

Council Member Robinson made a motion to convene as the Echo Sewer Special Service District. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

The meeting of the Echo Sewer Special Service District was called to order at 2:47 p.m.

CONSIDERATION AND POSSIBLE APPROVAL OF AN AGREEMENT FOR THE CONSTRUCTION AND USE OF A CULVERT BETWEEN ECHO DITCH COMPANY AND ECHO SEWER SPECIAL SERVICE DISTRICT; RICH BULLOUGH, HEALTH DIRECTOR

County Health Director Rich Bullough stated that the Sewer District has suffered some setbacks but is now back on track. He explained that they are waiting for a series of easements, which are nearing completion except for UDOT. However, UDOT now seems to be moving on its easement and has indicated that it should be available within 30 days. He reported that the plans were submitted to the State, have been redlined and modified, and have been resubmitted to the State. The biggest hurdle was the site for the leach field, which Mr. Carlson believed restricted access to his property. Since then they have found property they believe will be both politically and functionally better. He explained that the easement for which they are seeking approval is from Echo Ditch and gives the Echo Sewer project the right to cross the ditch. He stated that Ruth Richins, Chair of the Echo Ditch Company, has signed the agreement.

Board Member Robinson stated that he believed the agreement should be between Echo Ditch and the Governing Board of the Echo Sewer Special Service District rather than between the ditch company and the County.

Board Member Armstrong noted that the agreement refers to a 30-foot easement but does not say whether it is 30 feet wide or 30 feet long. Mr. Bullough clarified that the initial easement is 30 feet wide. Board Member Armstrong also noted that the agreement says the Ditch Company agrees to construct the culvert, and he believed it should say that the Ditch Company shall have the right but not the obligation to construct a culvert.

Mr. Bullough reported that billing has been initiated at the new rate, which was a requirement of State approval of the loan.

The Board Members requested that the requested changes be made and that this item be brought back to the Governing Board for approval.

Board Member Robinson made a motion to dismiss as the Echo Sewer Special Service District and to convene in work session. The motion was seconded by Board Member Armstrong and passed unanimously, 4 to 0.

The meeting of the Echo Sewer Special Service District adjourned at 3:00 p.m.

WORK SESSION

Chair McMullin called the work session to order at 3:05 p.m.

- **Discussion of WIC Program**

Chair McMullin commented that Salt Lake County decided to provide emergency funding for its WIC program due to the government shutdown, and she would like to do the same in Summit County. She wanted to know how much WIC costs and stated that the Council has a good amount in its contingency fund that it has not spent, and they could use contingency funds to fund the WIC Program.

Mr. Bullough explained that the State had a reserve of \$1.3 million they could spend forward, but that will not fund WIC for even half a week. He described the WIC Program and how it operates in Summit County. He reported that the County currently has 624 clients enrolled in the program. Vouchers have been issued for October, and the State will honor the vouchers that have already been issued. However 89 participants in Summit County were not issued vouchers for various reasons, and they are without WIC resources. Through the month of October, the weekly funding request would be \$1,200 per week to address the needs of the 89 participants who do not have vouchers, and WIC staff would cost \$4,000 per week. He explained that the staff will not certify new WIC participants until about the third week of October. If the shutdown continues into November, the grocery stores will no longer participate, and the County would work with the food banks to help distribute food, with the cost of food for all clients being \$6,800 per week. He stated that the Health Department has been contacted by multiple entities and individuals in the community asking what they can do to help.

Mr. Jasper stated that he believes some of the County's other policies should be bent for a while if necessary because of the shutdown. He noted that the County will be using its money, so they will not have to exactly follow the federal guidelines.

Chair McMullin confirmed with Mr. Bullough that the action the Council is proposing today would result in business as usual except that the manner in which they accomplish it may be slightly different.

The Council Members agreed to fund WIC through the month of November if necessary from the contingency fund.

- **Continued Discussion on EPA request to amend or reinterpret Ordinance 692 (Soils Overlay Zone); Jami Brackin**

Deputy County Attorney Jami Brackin recalled that the last time this was discussed with the Council, Staff was directed to get further information from the Environmental Protection Agency (EPA) and Department of Environmental Quality (DEQ). She stated that the policy that needs to be determined is how the Council wants to treat the soils overlay zone. She explained that, when the soils overlay zone was adopted, the area had not yet been placed on CERCLA. Almost immediately after the zone was adopted, it was listed on CERCLA because of the ASARCO litigation, and it had to be listed in order for ASARCO money to be used to clean up the soils.

Chair McMullin asked what power the EPA and DEQ have and whether they have told the County to clean up the soils or if they would like them to do it. Ms. Brackin replied that they would like them to do it. She stated that the agencies do not have the power to say it has to be done their way, but they can say they will not authorize any cleanup other than through the responsible party, which is United Park City Mines (UPCM), and that is basically what they have told the County. She stated that when they went to the EPA, they were told that the DEQ would probably not issue any more VCUPs, and when they asked the DEQ, they confirmed that is true. Chair McMullin asked if any of that is in writing. Ms. Brackin replied that it is not. Mr. Jasper stated that the DEQ could issue special exceptions. They cannot tell the County to repeal its ordinance, but they will just work around the County.

Council Member Armstrong explained that the broader goal is to get the area cleaned up in a comprehensive way and restore it. The concern is that, if people do remediation through the VCUP process, it may not meet the EPA's standards. By going through the VCUP process, it would let the responsible party off the hook for the soils cleaned up through the VCUP process. If they look at the entire goal of remediation and restoration, having pieces of it remediated but not restored would leave them with something less than they might get otherwise. He explained that the EPA is still in negotiations with Talisker and does not have a final agreement. Once a final agreement is in place, they can start the phasing process for the whole area. Mr. Jasper explained that they want to hold UPCM responsible, but if they start letting other people do other things in the middle of that process, it will be difficult to keep the pressure on the entity that is responsible for the cleanup.

Ms. Brackin explained that the DEQ has made it very clear that they will not issue any more VCUPs, but they will continue to honor the three that have already been issued. She explained that they are concerned about recontamination of the site if they were to clean up at the bottom and contamination then moved down to the areas that have already been cleaned up. The gap in the law is that they are not sure they could ever get it cleaned up if that were to happen. They want to make it comprehensive, start at the top, and work their way down, and they want the

responsible parties to have a comprehensive cleanup plan. However, they realize that no one can develop under the County's current ordinance until it is cleaned up, and the cleanup process is an 8- to 15-year process once they have the Administrative Order of Consent (AOC), which they do not yet have. If the County does not allow development in that area because of the County ordinance until it is cleaned up, they have effected a regulatory taking. She stated that the EPA and DEQ are willing to work with applicants to allow them to develop on the clean part of their land.

Chair McMullin asked if there is concern that allowing development on the uncontaminated portion of a parcel would lead to the contaminated portion never being cleaned up. Ms. Brackin explained that was originally the concern, but that is no longer a concern, because the area is CERCLA listed. She stated that the clear message they got from both the EPA and DEQ is that they will not go after individual property owners as responsible parties. Council Member Robinson asked if they would state that in writing.

Council Member Robinson asked if there is a reliable map showing the contaminated and uncontaminated areas within the overlay. Ms. Brackin explained that there is a map showing the test sites and the results, but no map showing which areas are dirty and which are not. Mr. Thomas explained that they would have to test the soils, which would be part of the process. Council Member Robinson preferred that the EPA or DEQ provide a map so there is certainty that a developer could get a letter regarding a defined area without having to survey all their property and go to a lot of expense, not knowing whether they will get a letter from the DEQ or EPA. Ms. Brackin explained that, once they have the AOC, one of the next steps is to make that map and clearly define what needs to be cleaned. Council Member Robinson stated that he believes this needs to be a continuing discussion and that the Council needs more information before they can act, including having the AOC in hand and creating a map showing the contamination. Mr. Thomas explained that they will not get the type of map Council Member Robinson is looking for. They will get a plume map showing the various sites that have been tested, with lines drawn from there showing where they estimate there are contaminants. Ms. Brackin explained that, if a property owner wants to get a letter from the EPA, they will probably require that the property owner take the innovative assessment and do additional testing. The EPA will then help the property owner draw the line as to what is clean and what is dirty in the best way they know how. She explained that it will be a case-by-case, property-by-property process. The property owner can then come to the County and provide their sign-off from the DEQ showing what is clean and what is dirty, but the EPA will not relieve them of responsible party status. The owner can then say they would like to develop the clean part, and the County can process a development application.

Council Member Armstrong stated that it is difficult to make a decision until they know the status of the AOC, because they do not know whether they would be keeping people from developing their property for 10 years or 20 years or how long.

Chair McMullin asked if the EPA would take a position that a property owner could not develop the uncontaminated portion of their property if they have an AOC. Ms. Brackin cautioned that the EPA will not decide who can and cannot develop. They leave that up to the County, and right now, the County's ordinance says they cannot develop. Mr. Thomas explained that neither the DEQ nor the EPA will take a position on whether the property owner can develop. They will

only give the County information regarding the safety of a site, and the County has to make a decision based on that.

Council Member Robinson asked what would happen if someone wanted to develop in a contaminated area now. Mr. Thomas explained that under the current ordinance they could not, but if they were to rescind that ordinance, the County would determine whether they could develop or not. EPA and DEQ's position would be that someone has to clean it up, and they can enforce the cleanup. Ms. Brackin clarified that the County could probably issue a permit, but she did not know if the development would proceed without some intervention by the DEQ and EPA. Mr. Thomas explained that ultimately the EPA and DEQ would take enforcement action on the cleanup.

Chair McMullin asked about the risks of allowing a developer to develop on the non-contaminated portion of a parcel. She stated that it sounds like the land owner would take the risk if for some reason there is a default of the AOC and no release. Mr. Jasper explained that the County does not know which areas are clean and which are dirty at this point. Ms. Brackin did not believe there would be a risk to the County if there is a responsible party on the hook, and the developer has a letter.

Council Member Ure asked how this would affect the County's working with Park City and whether they are working together. Council Member Armstrong explained that Park City only has to clean up the Prospector drain. Ms. Brackin explained that the idea is that they would start with the Prospector drain and work their way down in the right order to prevent recontamination. Mr. Jasper recalled that Park City proposed its own remediation site, and the County was not enthused about it. Park City cannot take its contaminated soils to Richardson Flat, and they have no place to take them. At one time the County tried to help Park City resolve that, but it is currently on hold.

Council Member Robinson commented that it would be nice if the letter would say that the property owner is off the hook if there is an AOC and UPCM is responsible for the cleanup. He wanted to ask the EPA and DEQ to release landowners for the unclean portion of their properties when the AOC is issued, because there would be a responsible party in place. If it could ultimately come back on the landowners, they should know that. The other Council Members stated that they did not believe the EPA would release the property owners. Chair McMullin explained that the property owners already know the responsibility could come back on them.

Council Member Armstrong summarized that, based on the letter from the EPA, if a person were to seek a permit from the County, the EPA would be willing to work with the County on a case-by-case basis. Under the current ordinance, if that person were to come to the County and request a development permit, the County would tell them to go to the State for a VCUP, the State would say they are not issuing VCUPs, and that would arguably be a taking. The claim would probably be against the State and possibly against the County for having in place a land regulation that ties everybody's hands.

Ms. Brackin stated that she would send a letter to the EPA and DEQ jointly to ask where the AOC stands and, if they go along with a new program that would delineate the good dirt from the bad dirt, whether they would be willing to provide releases for the property owners. Council Member Robinson asked Ms. Brackin to circulate a draft to the Council before sending the letter.

- **2013 Summit County Fair Council Art Awards; Dean Vernon and Kaden Calderwood, Artists**

The Council recognized Dean Vernon and Kaden Calderwood for receiving the County Fair Council Art Awards and presented them with their award checks.

- **Updates from the Summit County Public Arts Program and Advisory Board**

Judi Grenney, a member of the Advisory Board, presented the report and described the mission of the Public Arts Program. She reported that some of their successes to date have been the bookmobile wrap, starting the process of documenting and cataloging the County's fine art collection, the mural at the fairground, artwork in the remodeled County library in Coalville, Pianos for All in partnership with Park City, and the artscape project in Coalville, which has generated thousands of dollars in free publicity and engaged the community.

Ms. Grenney explained that they want to discuss with the Council how they can continue to bring public art to the County, establish criteria for deciding what is appropriate, and plan for the future. She stated that they have established a strategic plan in the last year and identified the new roundabouts in Kimball Junction as a good place for public art. They would like to apply for a \$35,000 National Endowment for the Arts grant and need matching funds of \$35,000. She requested that the Council make a commitment of \$15,000 toward that goal in their 2014 budget and reported that the Board has \$20,000 set aside from funds the Council previously provided to the Program. She explained that the grant is due January 1, and they are currently working on the application. She stated that they have also done an informal survey at the Newpark concerts about the theme of the art they would like to see, and the results have indicated that they would like to celebrate the play aspect of Park City.

Chair McMullin stated that she believes the Newpark area looks much more engaged and active and feels more vibrant with the buildings there rather than large parking lots. She believed public art in that location would be a great idea.

Mr. Jasper stated that, as the Council gets into the budget process, they could give the Public Arts Program money out of other funds, such as the RAP Art fund, rather than the general fund. Chair McMullin explained that the RAP Art fund does not fund permanent fixtures.

- **Financial update; Matt Leavitt, Auditor's office**

Chair McMullin asked if the "budget to actual" figures include the budget with the tax increase. Matt Leavitt with the County Auditor's Office replied that it does. Council Member Armstrong confirmed with Mr. Leavitt that it includes the repayment of State sales taxes from Park City.

Mr. Leavitt noted that the sales and uses taxes for the municipal fund are less than anticipated, partly because they projected that the economy was doing better. It is also partially due to the State-wide distribution formula, which makes it difficult to predict sales tax revenues. He noted that business licenses are \$30,000 to the good, which is a good economic indicator. He reported that almost \$90,000 will be coming back to the County from Utah Local Governments Trust in

the form of a premium refund, and they may get another \$30,000 from the Chamber Bureau for economic development.

The Council Members reviewed the Sheriff's expenditures with Mr. Leavitt. Council Member Ure noted that salaries and benefits were down in the Sheriff's Office because they were down staff, but they paid more in overtime. He asked which is best for the County. Mr. Leavitt replied that he would have to analyze that. Chair McMullin noted that they are very close on budget to actual. They were very conservative but are only off by less than 1% to date. Council Member Robinson asked about the impact of the tax increase on the public safety budget and the related expenditures that were held in abeyance. Mr. Leavitt noted that about \$1.825 million was set aside in the event they did not get a tax increase, and he anticipated that about \$1.2 million of that would not be spent this year, primarily because they did not complete some of the road projects this year.

Mr. Leavitt reviewed the budget adjustments for 2013 as shown in his staff report and stated that, with the savings they are realizing, he could adjust the budget and absorb the changes within the different departments without having to open up a public hearing. He noted that everything being adjusted is a subset of the general fund.

Council Member Ure stated that he attended a meeting last week regarding the forest problem on the North Slope of the Uintas. He stated that the State of Wyoming is putting in about \$300,000; Uinta County, Wyoming, is putting in about \$20,000; and the State of Utah is putting in about \$20,000. They have asked Summit County to contribute \$10,000. Chair McMullin confirmed with Mr. Leavitt that he could add that \$10,000 to the proposed budget adjustments. Council Member Ure confirmed that they would like to get the money this year and get a commitment from Summit County for \$10,000 in the 2014 budget. He commented that he should have brought this to the Council 30 days ago and forgot.

REGULAR MEETING

Chair McMullin called the regular meeting to order at 5:15 p.m.

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 2013-13, A BUDGET RESOLUTION OF THE SUMMIT COUNTY COUNCIL REGARDING 2013 BUDGET AMENDMENTS; MATT LEAVITT, AUDITOR'S OFFICE

Council Member Robinson made a motion to approve Resolution No. 2013-13, a budget resolution of the Summit County Council regarding 2013 budget amendments, with the budget amendments being modified to reflect the changes for the WIC Program and the North Slope Forest Restoration. The motion was seconded by Council Member Ure and passed unanimously, 4 to 0.

- **Pledge of Allegiance**

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 2013-12 MRW, A RESOLUTION ANNEXING CERTAIN REAL PROPERTY INTO THE MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT (TAX PARCEL NUMBER: PP-87-C)

Council Member Ure made a motion to approve Resolution No. 2013-12 MRW, a resolution annexing certain real property into the Mountain Regional Water Special Service District. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0.

APPOINT MEMBERS TO FILL VACANCIES ON THE SUMMIT COUNTY RESTAURANT TAX ADVISORY COMMITTEE

Council Member Robinson made a motion to appoint Lorrie Hoggan to the Summit County Restaurant Tax Advisory Committee, with her term to expire July 31, 2016. The motion was seconded by Council Member Ure and passed unanimously, 4 to 0.

Council Member Ure made a motion to reappoint Jodie Rogers and Donnie Novelle to the Summit County Restaurant Tax Advisory Committee, with their terms to expire July 31, 2016. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0.

APPROVAL OF COUNCIL MINUTES

AUGUST 14, 2013

AUGUST 21, 2013

Council Member Ure made a motion to approve the minutes of the August 14 and August 21, 2013, County Council meetings as written. The motion was seconded by Council Member Robinson and passed unanimously, 3 to 0 for the August 14 minutes and 4 to 0 for the August 21 minutes. Council Member Armstrong abstained from voting on the August 14 minutes, as he did not attend the August 14 meeting.

MANAGER COMMENTS

Mr. Jasper reported that the budget committee will give him their recommendations in the next couple of days. As part of the amendments today, the Council approved the addition of a road worker and a Sheriff's deputy for patrol, and the balance of the additional tax revenues will go into next year's budget for the Council to look at comprehensively. He commented that they have been cutting the budget ever since he came to the County, but they are not starting to build up reasonable fund balances. He will look at the budget recommended by the budget committee to see where they might have room to increase and expand a little bit. He encouraged the Council Members to let him know what their priorities are so he can consider them as he prepares his budget. Chair McMullin suggested that they schedule a work session to discuss budget priorities with Mr. Jasper. Mr. Jasper stated that the County needs a long-term capital plan and to start to build up fund balances to accomplish that plan.

Mr. Jasper stated that he has done some studies and analyzed possible savings by consolidating public offices. It is his opinion that there would be some savings, but they are not significant given the unknowns of who may or may not be elected and how they may function. He would not recommend consolidating offices except for a recommendation to consolidate the elected positions of surveyor and recorder.

CONSIDERATION AND POSSIBLE APPROVAL OF THE FINDINGS OF FACT & CONCLUSIONS OF LAW AND ORDINANCE #816, AN ORDINANCE OFFICIALLY VACATING A PORTION OF A PUBLIC RIGHT-OF-WAY (EAST LEG OF SPRING CANYON ROAD); DERRICK RADKE, PUBLIC WORKS DIRECTOR

Council Member Robinson stated that he hoped everything in the ordinance and findings of fact would be very explicit and accurate so there will be no misunderstanding in the future as to what was vacated. Mr. Thomas explained that they are vacating the road as it existed on the 1950 road map. Council Member Ure agreed that it is important to be clear about what is being vacated, because he did not believe this is the last application they will see for vacation of Spring Canyon Road. Mr. Thomas explained that the findings and conclusions will be recorded together with the ordinance, and the ordinance specifically states the east leg of Spring Canyon Road and references the specific sections through which the road runs. He suggested that the motion approve the findings of fact and conclusions of law with an amendment to Section 5 of the Ordinance to specifically reference the east leg of Spring Canyon Road.

Public Works Director Derrick Radke reported that the Council held a public hearing a few weeks ago about the vacation of Spring Canyon Road and directed Staff to prepare findings of fact and an ordinance to vacate the east leg of Spring Canyon Road. He reviewed the change to Section 5 of the ordinance, which now states that the Council now hereby vacates the public road and right-of-way of the east leg of Spring Canyon Road.

Council Member Robinson made a motion to adopt the following Findings of Fact and Conclusions of Law for the vacation of the east leg of Spring Canyon Road:

Findings of Fact:

- 1. Spring Canyon Road begins on Hoytsville Road approximately ¾ mile south of Coalville, Utah, and traverses east approximately 8 miles to a destination approximately 1 ½ miles beyond the Sargent Lakes.**
- 2. The East Leg of the Spring Canyon Road begins in the southern portion of Section 31 and traverses approximately 2 miles easterly from the main Spring Canyon Road, as indicated on Exhibit A hereto.**
- 3. Spring Canyon Road first appeared on the County Class B Road Map in 1950. Since that time the County has received state road tax monies for the maintenance of the road.**
- 4. At some point in time, a gate was placed on the Spring Canyon Road approximately 1 ½ miles from its origin on the Hoytsville Road (the “Historical Gate”). In 1971, the Spring Canyon Road lying east of the Historical Gate was reclassified to Class D. Class D roads are county roads which are not maintained by the County.**
- 5. In recent years, a new gate was erected on Spring Canyon Road approximately 1 mile from its origin on the Hoytsville Road (the “Cattle Gate”). The portion of Spring Canyon Road between the Cattle Gate and the Historical Gate (approximately ½ mile) is still classified as a Class B county road.**

6. **The East Leg of the Spring Canyon Road dead ends at Section 33.**
7. **The entire length of the East Leg of the Spring Canyon Road from Section 31 to Section 33 lies on lands owned by the Petitioners. Outside of Petitioners, no other landowner accesses property through the East Leg of the Spring Canyon Road.**
8. **The lands bordering the East Leg of the Spring Canyon Road are zoned agriculture, and there are no current plans to develop such for residential or commercial purposes.**
9. **Summit County government does not utilize the East Leg of the Spring Canyon Road.**
10. **All required notices pursuant to UCA §72-3-108(2) have been satisfied.**
11. **On September 11, 2013, a public hearing was held at the County Courthouse in Coalville, Utah, to receive public comment on the Petition. There were no individuals who spoke opposing the Petition.**

Conclusions of Law:

1. **UCA §72-3-108 provides:**
 - (1) **A county may, by ordinance, vacate, narrow, or change the name of a county road without petition or after petition by a property owner.**
 - (2) **A county may not vacate a county road unless notice of the hearing is:**
 - (a) **published:**
 - (i) **in a newspaper of general circulation in the county once a week for four consecutive weeks before the hearing; and**
 - (ii) **on the Utah Public Notice Website created in Section 63F-1-701 for four weeks before the hearing; and**
 - (b) **posted in three public places for four consecutive weeks prior to the hearing; and**
 - (c) **mailed to the department and all owners of property abutting the county road.**
 - (3) **The right-of-way and easements, if any, of a property owner and the franchise rights of any public utility may not be impaired by vacating or narrowing a county road.**
2. **The Council, acting as the Highway Authority, may act on behalf of Summit County in vacating a county road. UCA §§72-1-102(8); 72-3-103(4)**
3. **Petitioners filed their Petition with the Council. A public hearing was held with all noticing requirements satisfied.**
4. **The Council has adopted a Vacating County Roads policy which delineates those policies that the Council shall consider in its deliberations, more specifically as set forth below:**
 - 4.1 **Recent public uses of the road or highway.**
 - 4.2 **Potential future public uses of the road or highway.**
 - 4.3 **Use of the road or highway by County government.**
 - 4.4 **Designation of road or highway on the Class B or Class D County Road Maps.**
 - 4.5 **The ability of private landowners to access their properties following a vacation of the public road or highway.**
5. **The Council concludes that there has been no public use of the East Leg of the Spring Canyon Road, nor is there an expectation of future public uses. While the East Leg of the Spring Canyon Road does appear on the Class D road map, County government does not utilize said road.**

- 6. The Council further concludes that the only landowners accessing their property from the East Leg of the Spring Canyon road are the Petitioners, and there is no evidence that the vacation of this road would in any way prevent their access to their properties.**

The motion was seconded by Council Member Ure and passed unanimously, 4 to 0.

Council Member Robinson made a motion to adopt Ordinance #816, officially vacating a portion of a public road right-of-way, the East Leg of Spring Canyon Road. The motion was seconded by Council Member Ure and passed unanimously, 4 to 0.

COUNCIL COMMENTS

Chair McMullin requested that they notice each meeting where they know a Council Member will not be present for attendance electronically.

Council Member Robinson asked about the progress of Lower Village Drive. Mr. Radke replied that it is almost paved, and the first part of next week they will clean it up and put in topsoil, seed it, and cover the gas line. Council Member Robinson verified with Mr. Radke that the trail will be paved this season.

Chair McMullin stated that the Council has received a lot of e-mails and calls from people thinking they have rezoned Highland Estates to commercial. She clarified that they are not rezoning Highland Estates to commercial. She explained that they have requested that Staff separate the Highland Estates neighborhood from the Trailside neighborhood for the neighborhood plans in the General Plan. She requested that Public Relations Officer Julie Booth get that information to the media. Community Development Director Patrick Putt explained that the purpose of the neighborhood planning areas is to act as a foundation and basis for future General Plan long-term land use decision making. They provide a character description of the neighborhoods and the existing conditions and issues, which form the basis for the next step of determining long-term land uses and potential Code changes that may be necessary to implement future plans. Staff will bring back to the Council the neighborhood characteristics of the Highland Estates neighborhood, which recognizes that it is one of the oldest neighborhoods in the Snyderville Basin, that it is zoned Rural Residential, and that it consists of primarily larger lots and single-family homes, and that over the last several years there have been a number of home-based businesses and some non-compatibility issues associated with that. One goal in this neighborhood planning area will be to remedy the areas of non-compatibility. He stated that Staff will distribute notices to the neighborhood prior to the public hearing on October 16, and the Park Ridge Estates HOA would like to put together a neighborhood meeting on October 9. He has volunteered to attend that meeting, answer questions, and assure people that this is not a rezone. Chair McMullin emphasized that no one on the Council has ever suggested that they believe it is all right to have a highly non-compatible business use in a residential area.

Council Member Armstrong expressed concern that the people who showed up at the last hearing were on one side of an issue and probably did not represent the general views of the neighborhood. He believed more fact finding needs to be undertaken to find out what is really happening in this neighborhood, and those activities could have a substantial impact on the neighborhood. He did not know why the County would not follow its current Code and the law. Mr. Putt explained that, based on the discussion at the last public hearing with the Council, Staff

issued letters to several individuals who currently have violations in process, giving them until January 1 to come into compliance.

Council Member Robinson expressed concern that the public hearing on October 16 might end up focusing on what the future Code might be and the January 1 letter. He believed the Council should be prepared to give some direction as to what is allowed in the Rural Residential Zone.

Council Member Armstrong stated that he believed each group should have the opportunity to be heard in front of the other group. He understands the businesses in that neighborhood have grown, and his concerns are related to safety. He believed they should look at and gather facts about the impacts of these businesses from a safety standpoint.

Council Member Ure requested that the Council Members be given a key to the Courthouse building. He stated that it is also inappropriate to have the doors locked when a public meeting is going on in the building. He stated that quite often the doors are locked before the Council is finished with its meeting, and the same thing happens at the Richins Building. Mr. Jasper offered to check into that.

PUBLIC INPUT

Chair McMullin opened the public input.

There was no public input.

Chair McMullin closed the public input.

The County Council meeting adjourned at 6:05 p.m.

Council Chair, Claudia McMullin

County Clerk, Kent Jones

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, OCTOBER 9, 2013
SHELDON RICHINS BUILDING
PARK CITY, UTAH

PRESENT:

Claudia McMullin, *Council Chair*
Roger Armstrong, *Council Member*
Kim Carson, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Kent Jones, *Clerk*
Karen McLaws, *Secretary*

CLOSED SESSION

Council Member Ure made a motion to convene in closed session to discuss litigation. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

The Summit County Council met in closed session from 1:45 p.m. to 2:10 p.m. for the purpose of discussing litigation. Those in attendance were:

Claudia McMullin, *Council Chair*
Roger Armstrong, *Council Member*
Kim Carson, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*

Council Member Ure made a motion to dismiss from closed session to discuss litigation and to convene in closed session to discuss personnel. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

The Summit County Council met in closed session from 2:10 p.m. to 2:20 p.m. for the purpose of discussing personnel. Those in attendance were:

Claudia McMullin, *Council Chair*
Roger Armstrong, *Council Member*
Kim Carson, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*

Council Member Armstrong made a motion to dismiss from closed session and to convene in work session. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

WORK SESSION

Chair McMullin called the work session to order at 3:10 p.m.

- **Discussion regarding citizens survey; Richard Krannich**

Consultant Richard Krannich presented his report of the citizen survey. He reviewed the background of the report and discussed the methodology of the survey. He noted that the county was divided into three segments this year—west, north, and south—rather than the two segments of east and west in the 2011 survey, which provided better information and more detail. He noted that the 43% response rate was better than in 2011 and was a very good response. He noted that the report includes results from each of the three segments of the County for comparison purposes and for the County as a whole.

Mr. Krannich explained that the first section of the survey had to do with quality of life, and generally, people think the overall quality of life in the County is good. He noted that the quality of life rating has gone up slightly since the 2011 survey. He reviewed the graphs and discussed the details of the factors people believe contribute to their quality of life. He also reviewed the results regarding people's vision of what they would like to see happen in the County and explained that there is evidence County-wide of support for preserving and protecting agricultural lands and open space and that it is important to limit future growth and development. Other issues related to quality of life include citizens feeling good about safety from crime and violence, environmental quality, and access to recreation facilities and opportunities. Overall, they also feel pretty good about the services the County provides, but there are some differences in the three segments of the County, with west County residents being the happiest, south County residents being somewhat less happy, and north County residents being less happy than the south County. He reviewed the graphs showing responses to the questions regarding quality of life as it relates to County services.

Mr. Krannich reviewed the data related to people's opinions of tax levels and noted that most people believe taxes are about where they should be. Those who expressed concern about taxes were mostly in the north County, but that did not represent a majority of the north County residents. For the County overall, less than 10% of participants said taxes were considerably higher than they should be, and only about 1 in 5 respondents in the north County felt taxes were considerably higher than they should be. He noted that people in government most often hear from people who are dissatisfied with something, and a good thing about surveys is that they hear from the silent majority and can find out that things may be different than what they hear. Mr. Krannich reviewed the County government ratings and explained that 90% of residents said overall quality of County-provided services is good, above average, or excellent. He commented that the results seem to indicate that Summit County has an unusually satisfied citizenry.

Mr. Krannich reviewed the questions regarding growth and development, and County-wide, the response was that growth is causing a loss of values and characteristics of the County and that some kind of growth management is needed. At the same time, people do not think the County should infringe on the ability of landowners to do what they want with their land or impose excessively restrictive conditions in terms of development and private property rights.

Council Member Ure asked if the survey was sent to residents within the municipalities and commented that responses might be different within municipalities than they would be outside the city limits. He believed some people might be confusing municipal services with County services. He also did not believe many seasonal or second-home residents would have responded to the survey. Mr. Krannich agreed that is probably the case.

Chair McMullin commented that many people in the west side of the County have come from other areas of the country where taxes are much higher, and they would be more likely to think that taxes in Summit County are great. She did not believe that would be as true in the north and south parts of the County. Mr. Krannich explained that a graduate student did a study a few years ago of seasonal residents in Summit County, and he offered to find that study and provide it to the Council.

Mr. Krannich explained that in response to a series of questions about business development in the County, people were generally opposed to all business development. He reviewed the section regarding satisfaction with law enforcement, and people were generally satisfied. People in the west County are particularly happy with recreational opportunities and services, especially availability of hiking and biking trails. He noted that both north and south County residents have concerns about safe bicycling. He explained that they asked a series of questions about funding various programs in the County, and the overall response was that people believe they should leave it where it is and that funding should stay at current levels. A small minority believed funding for County programs should be reduced. Areas where some residents thought funding for County services should be increased were emergency response services, senior centers and services, fire protection, water systems, waste recycling, air and water quality monitoring, road maintenance, and lands for open space and recreation.

Mr. Krannich summarized that, overall, people are highly satisfied with the quality of life in the County and generally satisfied with what County government does. There is some variation by location in terms of how people respond to County government and services, with west County residents being the most pleased, south County residents being a bit less pleased, and north County residents being even less pleased. Comparing 2011 to 2013, things remained pretty stable, but where there were differences, things improved. There are some County-wide concerns about growth and development, with a majority interested in seeing some management of growth and development, protection of agricultural lands, and protection of environmental quality, which may explain why there is ambivalence about business and commercial development, as people may see those as being potentially contradictory. He noted that just looking at east side and west side causes them to miss important details, as there is clearly a difference between south and north County.

Council Member Ure commented that the survey may actually be better than what the numbers show, because a number of people in the County have suffered from hardships the last few years. Usually when people go through hard times, they want to blame everything on the government, so these numbers are very positive. Mr. Krannich commented that it is interesting to see that some people are actually more pleased, even though some County services had to be cut and the County had to focus on efficiencies rather than spending more. He believed the results of the survey reinforce that the County managed things well under difficult circumstances.

- **Discussion and proposal for a future resolution regarding smoke-free fairgrounds and parks; Geri Essen, Health Promotion Director**

Geri Essen, Health Promotion Director with the County Health Department, described the tobacco control program and provided an overview of the program. She explained the education programs with retailers, schools, and youth groups. She stated that they also work with cessation referrals to resources that are available in the community.

Ms. Essen explained that students from North Summit High School made a presentation to the County Fair Board in 2006 and realized they were not well prepared, so they spent a year doing their research and observing behaviors at the fair. They found that those who smoked usually sat on the sides of the bleachers, and they found that carnival workers were smoking with parents and children waiting in line for the rides. They returned to the principal, and he asked the students who clean up after the fair to bring back the cigarette butts they found. When he saw what they found, he started to write letters and supported the students in their cause. When the students did public surveys, they had overwhelming support of a non-smoking policy. Ms. Essen explained that when they look at tobacco policies, they are not just trying to prevent youth access to tobacco, they also want to support tobacco users in their cessation process. She added that they also need to consider those with lung conditions or allergies. She reported that this year they returned to the Fair Board and asked if they would support recommending a policy to the County Council, and they agreed. They also went to Oakley and Kamas, which have also written policies, and there are now 62 communities in Utah with tobacco-free parks policies.

Chair McMullin asked who enforces the policies. Ms. Essen explained that, when they put up signs in the parks, people pretty much monitor themselves. Once the policy is written into an ordinance, law enforcement can enforce if there is a problem. Chair McMullin stated that she did not believe the County should allow smoking in any public venue. Deputy County Attorney Dave Thomas confirmed that the County can regulate what happens on the fairground. He noted that most parks in the County are Snyderville Basin Recreation District parks. He stated that they could pass a general County ordinance, but it would not apply inside cities. Chair McMullin stated that they could ask the Recreation District to pass a similar ordinance for their parks. Mr. Thomas stated that the County could pass a County-wide ordinance for public places and specify public parks, which would apply on Recreation District property. With regard to the fairgrounds, because they are within the Coalville City limits, they could adopt a policy that people cannot smoke on the fairgrounds, but it would not be enforceable. With a policy in place, they could ask people to leave if they are smoking on the fairgrounds, but Coalville City would have to pass an ordinance for it to be enforceable.

Council Member Carson stated that she would like to see policies from other municipalities and counties and see if they include parking lots. Council Member Armstrong suggested that they could have designated smoking areas.

Ms. Essen discussed other tobacco products the tobacco companies are marketing for people to use when they cannot smoke due to the Indoor Clean Air Act. They are marketing sticks, strips, and orbs, which look very much like candy, but she has just learned that the tobacco industry will be taking them off the market. She discussed e-cigarettes and explained that they originated in China. There are more than 250 manufacturers of e-cigarettes, and the tobacco industries are now starting to get involved. She explained that they include nicotine cartridges, but the levels

are all different, and since they are not regulated, the public does not know what is in them. The cartridges can leak, and if nicotine is absorbed through the skin, the user will get 90% of the nicotine, which is more than they would get by inhaling it. She stated that manufacturers are getting aggressive with their marketing, with an in-your-face approach, and some include a smoker's rights card. She noted that the Utah Legislature included e-cigarettes in the Indoor Clean Air Act last year. The FDA is looking carefully at e-cigarettes and tried to prohibit them from coming into the United States, but a lawsuit ensued, and now they are regulated like cigarettes. She stated that one concern is that people who have never used tobacco before are starting to use e-cigarettes, and children at younger ages are starting to pick them up. Ms. Essen explained that they do not have all the information about e-cigarettes yet, and until they get more information, it is hard to tell people they have to stop.

Council Member Ure confirmed with Ms. Essen that there are no taxes on e-cigarettes like there are on regular cigarettes. Council Member Armstrong asked if e-cigarettes have a tar byproduct. County Health Director Rich Bullough replied that, to his knowledge, there is no tar byproduct. One concern is that people can mix their own formulas, and shops that sell e-cigarettes concoct their own recipes. Some are fruit flavored and bubble gum flavored and are targeted toward kids, and they are completely unregulated. He stated that his biggest concern is that there is no standardization.

CONVENE AS THE BOARD OF EQUALIZATION

Council Member Armstrong made a motion to dismiss as the Summit County Council and to convene as the Summit County Board of Equalization. The motion was seconded by Council Member Ure and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization was called to order at 4:02 p.m.

CONSIDERATION OF APPROVAL OF 2013 STIPULATIONS

Board Member Armstrong made a motion to approve the 2013 stipulations as presented. The motion was seconded by Board Member Ure and passed unanimously, 4 to 0.

DISMISS AS THE BOARD OF EQUALIZATION AND RECONVENE AS THE SUMMIT COUNTY COUNCIL

Board Member Armstrong made a motion to dismiss as the Summit County Board of Equalization and to reconvene as the Summit County Council. The motion was seconded by Board Member Ure and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization adjourned at 4:03 p.m.

REGULAR MEETING

Chair McMullin called the regular meeting to order at 4:03 p.m.

- **Pledge of Allegiance**

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 2013-14 DECLARING THE MONTH OF NOVEMBER “PANCREATIC CANCER AWARENESS MONTH” IN SUMMIT COUNTY, UTAH; BRUCE AND RONA GREENWALD, PANCREATIC CANCER ACTION NETWORK

Rona Greenwald stated that she lost her cousin to pancreatic cancer and that the incidence and death rate for pancreatic cancer are increasing. She provided statistics regarding pancreatic cancer cases and explained that there are no early detection tools for cure and treatment of pancreatic cancer. She requested that the Council declare November 2013 to be pancreatic cancer awareness month in Summit County to help make the public aware of the disease and its nature. She stated that there will be a vigil on October 27 at Memory Grove to which survivors and families are invited.

Council Member Armstrong stated that the Greenwalds are friends of his, and he supports their cause. He stated that his daughter’s grandfather died from pancreatic cancer, and the average life span after diagnosis is only eight months, with very little that can be done to treat the disease.

Council Member Armstrong made a motion to approve Resolution 2013-14 declaring the month of November Pancreatic Cancer Awareness Month in Summit County. The motion was seconded by Council Member Carson and passed unanimously, 4 to 0.

APPEAL OF AN ADMINISTRATIVE DECISION REGARDING DENIAL OF A LOW IMPACT PERMIT FOR A CHANGE OF USE IN THE TOWN CENTER ZONE; SEAN LEWIS

County Planner Sean Lewis explained that no uses are listed by right in the Town Center Zone, and uses in that zone are identified through the SPA process or a development agreement. He explained that Staff is working to identify uses in the Town Center Zone, because there are situations, such as this case, where a building was built before a SPA or development agreement was required. The use in this building continued until 2009 when the restaurant did not renew its business license. The Code does not allow nonconforming uses that cease to exist for a period greater than one year, and Staff cannot assign a use to the building. He clarified that Staff has no concern about the proposed use, which fits with the neighborhood character, but there is no SPA through which Staff can approve the use. He explained that, if the applicant were to apply for a SPA, they would have to meet current Code standards and provide community benefits, open space, and affordable housing. The tenant for this building has a 10-year lease with a company to utilize this space which is sitting vacant, and Staff would like to see that happen. Therefore, Staff recommends approval of the appeal.

Council Member Armstrong asked if what the Council is being asked to do is legal. Mr. Thomas replied that they need to distinguish between legal and equitable, and as the appellate body, the Council has some equitable powers. Legally, the Community Development Director did the only thing he could do under the circumstances. Chair McMullin asked if this is the right process to get the right result. Mr. Thomas replied that he would probably have chosen the special exception process, but this appeal is now before the Council, and the only way they can grant the appeal is with the Council’s equitable powers. Council Member Armstrong asked what would happen to this building if they exercise their equitable powers to grant the appeal and the applicant decides to convert it to something else. Mr. Thomas replied that the applicant would

have to go through the special exception process and apply for a change of use. Planner Lewis explained that this is a very limited situation that applies to only two or three parcels in the Town Center Zone. He explained that once a use chart is in place for the Town Center Zone, future applicants will not have to go through a special exception, because there would be identified uses in the chart. In the future, parcels that are not included in a development agreement could apply for a use on the use chart. Council Member Carson asked if they could include something in the findings of fact and conclusions of law that they would approve this use specifically until the time a use chart is created for this property. Mr. Thomas explained that they could grant the appeal and approve the use, but whatever happens in the future will happen. If in the future the Town Center includes other uses, they could convert to one of those other uses by going through the appropriate process. He explained that this is very specific to this one use.

Council Member Armstrong asked if this would meet the requirements for a special exception if the appellant had chosen that process. Planner Lewis replied that it would, as they would not qualify for any other process through the Code. Chair McMullin noted that, in order to qualify for a special exception, an applicant must exhaust all other remedies, and this appeal would be the exhaustion of the Low Impact Permit denial remedy. Mr. Thomas stated that, in this case, he did not believe the appeal would be part of the exhaustion requirement for a special exception. Council Member Armstrong explained that he wants what the appellant is asking for, but he wants to get there legally and follow proper procedure. Mr. Thomas clarified that the Council would have to use its equitable powers in order to grant the appeal, and they do have equitable powers. Council Member Carson asked if this could set a precedent. Mr. Thomas explained that, because it is an equitable situation, it will not set a precedent. However, this might provide an opportunity to give direction to Staff about how they would like to see this kind of situation handled in the future. He explained that the advantage to a special exception process is that it requires a public hearing where the public can come in and talk about what is happening, but an appeal does not include a public hearing.

Council Member Armstrong did not feel it would make sense for the appellant to have to come back through another process and noted that they already have a lease. He would be willing to uphold the appeal in this case but on very narrow grounds where a building was constructed before the Town Center and SPA requirement were in place and is now left vacant. This would probably qualify for a special exception and the Council would probably grant it, but it does not make sense to make the appellant jump through more hoops.

Council Member Carson asked if there are any landscaping requirements. Planner Lewis replied that the appellants would have to meet the standard Code requirements for landscaping.

Council Member Ure made a motion to uphold the appeal of an administrative decision regarding denial of a Low Impact Permit for a change of use in the Town Center Zone based on the following findings of fact shown in the staff report:

Findings of Fact:

- 1. The appellant, Mike Peterson, represents SKM Peterson LLC, the listed fee title owner of Parcel PP-81-D-1.**
- 2. Parcel PP-81-D-1 is 0.68 acre in size.**
- 3. Parcel PP-81-D-1 is located at 6520 N Hwy 224.**

4. According to Summit County assessment records, a 3,315-square-foot commercial building was erected on Parcel PP-81-D-1 in 1997 in compliance with the Development Code standards in effect at that time.
5. Summit County adopted and implemented a zoning ordinance on August 1, 1977.
6. The Snyderville Basin Planning District was created by Summit County Ordinance #268 on September 25, 1995.
7. Comprehensive amendments to the Snyderville Basin Development Code were adopted March 9, 1998, via Summit County Ordinance #323. This ordinance created the Town Center Zone.
8. Parcel PP-81-D-1 is located in the Town Center Zone.
9. The structure and previous uses allowed on Parcel PP-81-D-1 are considered to be “legal non-conforming,” as they were not developed as part of a SPA process.
10. The surrounding uses are commercial in nature.
11. The proposed use is commercial in nature.
12. Per Section 10-9-22 of the Snyderville Basin Development Code, the Summit County Council is the appellate body for decisions made by the Community Development Director.

The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

COUNCIL COMMENTS

Council Member Carson asked if anyone plans to attend the broadband event in Provo on October 24. Alison Weyher replied that she and Ron Boyer plan to attend, and she will bring back her notes and materials for the Council.

CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE #815, AMENDMENT TO TITLE 2, CHAPTER 27 OF THE SUMMIT COUNTY CODE, SUMMIT COUNTY SERVICE AREA NO. 3 (SILVER CREEK); DAVE THOMAS, CHIEF CIVIL ATTORNEY

Mr. Thomas provided a history of Silver Creek and explained that Service Area 3 was formed by the County in 1964 through Ordinance 57, and its principal power at that time was to provide culinary water service. An independent board was set up and elected, and a decade later, Ordinance 78 was passed, which required everyone in Silver Creek to connect to the culinary water system.

Bob Olson, Vice Chair of the Service Area 3 Board, stated that not everyone connected to the water system and could not, because there is no water line to their homes. He explained that some properties are still using wells. Council Member Carson confirmed that everyone on the upper part of Silver Creek is still on individual wells. Mr. Thomas suggested that they may want to change Ordinance 78. Ken Naylor, Chair of the Service Area 3 Board, stated that it would be impossible to hook up everyone to the water system.

Mr. Thomas stated that a decade later, the County expanded the District’s powers to include irrigation water, storm flood, and roads, including snow removal. Also at that time, in 1982, the Board of Trustees was expanded to seven elected members.

County Manager Bob Jasper noted that Service Area 3 is an independent district and asked why the County is adopting ordinances to govern a district over which they have no authority. Mr. Thomas explained that State statute sets forth the duties and responsibilities of the board of trustees. However, the County has the authority to set what powers the district will have and what areas they will have powers over. Mr. Jasper asked if the Council has the ability to both expand powers and withdraw powers from the service district under specific conditions.

Mr. Thomas explained that the powers of Service Area 3 were expanded again in 1992 to allow the Service Area to set its own speed limits on roads within the Service Area. Those powers also include parks and recreation, street lighting, curb and gutter, and sidewalks. In January 2000, Silver Creek Corporation sued the County and Service Area 3, alleging that Lewis Park was owned by the corporation. That suit was resolved in June 2004 by the County quieting title to the Plaintiff and the Plaintiff donating the park to the Service Area. Mr. Thomas stated that in 2001 the County and the Service Area entered into an agreement to change the designation of the roads from Class D roads to Class B roads and to start collecting Class B road money from the State. That money would pass through to the Service Area to maintain the roads, for which they have responsibility. They also entered into an indemnification with respect to the roads whereby the Service Area would take complete responsibility for the roads and assume liability with respect to the roads.

Mr. Naylor stated that it was his understanding that the Service Area does not receive Class B road funds for all of its roads. He understood that only those roads that have been finished and paved are eligible for Class B road funds. Mr. Thomas referred Mr. Naylor to the County Engineer to determine which roads are eligible for Class B funds, explaining that can change and new roads can be added. He explained that the original agreement is in the Clerk's Office along with the original exhibit.

Mr. Thomas explained that in December 2005 the Service Area and the County were sued by Anderson Development over maintenance of the stormwater facilities. The court ruled in the County's and Service Areas' favor last April, and Anderson Development agreed not to appeal that decision. In 2011, the County Attorney's Office issued an opinion that the Service Area's Board of Trustees is completely in charge of its roads. During the codification process in 2011, Ordinance 127 was codified, but Ordinance 197 was not, due to an inadvertent error. He explained that the purpose of the amendment before the Council is to conform the Code to the powers enumerated in Ordinance 197.

Mr. Thomas discussed the process for withdrawing a power from the Service Area and explained that State statute is silent on that process. Chair McMullin stated that, because the statute is silent, she believed the process for withdrawing the power could be the same process as adding a power or the process of dissolving the whole Service Area. Mr. Thomas noted that State statute has made it intentionally difficult to add services or dissolve a service district.

Mr. Olson recalled that the Service Area discussed with the County the possibility of the County assuming responsibility for the roads and asked if that would require a dissolution process. Mr. Jasper replied that, from his perspective, he asked the Service Area 3 Board to be the policy makers and determine which roads they want to have fixed, paved, and graded. The Board was to determine how much money they had available, and the County would explain their options based on the amount of money they have and how much they could get done every year. After

that, the discussions dwindled, and they did not reach a final resolution. Mr. Naylor stated that the Board had several meetings and became excited about the possibility of improving the roads, and then he understood from the County Engineer that the County would not be able to help the Service Area. He stated that they are struggling with the roads and do not have enough money to make any headway on road improvements, because they barely have enough to maintain them. They made some headway for two years because of roto-mill coming from State highway projects. Mr. Jasper offered to meet with the Service Area 3 Board again and try to help them. Mr. Thomas clarified that this would not require giving the roads back to the County. They could amend the 2001 road agreement to allow for a service agreement between the County and the Service Area, with the Service Area still retaining overall responsibility for their roads. In that case, the County would act as a contractor to provide services for the Service Area.

Mr. Naylor discussed concerns about the speed limit on Silver Creek Drive and stated that, before he became Chairman, the Service Area put up a couple of stop signs. He understood the County came in and told them to get rid of the stop signs, because they do not have authority to put up regulatory signs on the roads. Now the County is saying they do have regulatory powers. He stated that news went out to the community that the Service Area was trying to expand its powers without notifying the community. Now they understand they already have those powers, but it is an area of sensitivity right now, and there is a pending lawsuit. Mr. Thomas noted that the regulatory powers specifically say they can regulate speed but do not say anything about stop signs. Mr. Naylor stated that he would like an interpretation from the County Attorney as to what it means to regulate speed. Mr. Jasper offered to have the County Engineer's Office help the Service Area determine how to best regulate speed on their roads. Council Member Armstrong noted that the ordinance specifically talks about setting speed limits. Mr. Thomas confirmed that the County Attorney's Office can interpret the ordinance for the Service Area.

Mr. Naylor explained that they struggle with the County's Planning and Building Department and not knowing when things are coming up for development in the Silver Creek Area. He stated that they would like better lines of communication with Planning and Zoning and the Building Department so they can enforce the things they need to enforce. Chair McMullin explained that the Manager's report each week includes a list of all building permits, the nature of the permit, and the address. In addition, the Service Area could ask the Community Development Director to put them on an e-mail list to receive the Manager's report, which includes the building permits and planning applications. They may also want to get on the list for Snyderville Basin Planning Commission meeting notices. Mr. Naylor asked if they could request that the Building Department include on their checklist for issuing a building permit more than a requirement for a will-serve water letter from Service Area 3 and require evidence that the applicant has paid the appropriate fees to the Service Area for roads and water. Mr. Thomas explained that there was a recent amendment to State statute that specifically allows that. Council Member Armstrong stated that the problem he would have with that is that a will-serve letter for water is a fundamental issue and necessity. However, an impact fee paid to a special district is not the same thing. He noted that the County is trying to be less obstructive and more accommodating in allowing people to move forward to get permits. He expressed concern that, if every entity that has some interest in a property wanted the County to put another checklist on the building permit, it would put the County in an untenable position in terms of equal police authority. However, he would be in favor of a mechanism that would allow the Service Area to know that an application is in process so they would have every opportunity to

collect their fees. Council Member Ure commented that they need to standardize how they want to do this County-wide.

Council Member Carson asked Mr. Thomas to address the taxing abilities of the Service Area. Mr. Thomas confirmed that the Service Area is allowed a tax levy, but he was not certain what it is. He explained that, in order to set the rate initially, an election is held to allow them to collect taxes. The rate is set by the voters, and once that rate is adopted, they would have to go through truth in taxation if they want to increase the rate. Mr. Jasper offered to research whether Service Area 3 has a tax levy. Mr. Thomas noted that Ordinance 197 specifically states that the Service Area is authorized to levy a property tax as determined by the Board of Trustees. Chair McMullin explained that they need to determine who set the Service Area's current tax rate, when it was set, and whether it includes a general obligation bond. Commissioner Carson asked about the standby fees and explained that she lives in the upper part of Silver Creek and does not have access to the water system but is required to pay a standby fee. Mr. Olson stated that she should not be billed for a standby fee, because she does not have the ability to hook up to the system. However, she is required to pay a certain amount to maintain water rights.

Council Member Carson made a motion to approve Ordinance #815 amending Title 2, Chapter 27 of the Summit County Code, Summit County Service Area No. 3 to codify Ordinance 197. The motion was seconded by Council Member Armstrong and passed unanimously, 4 to 0.

PUBLIC INPUT

Chair McMullin opened the public input.

There was no public input.

Chair McMullin closed the public input.

COMMUNITY GRANTS RECEPTION AT KIMBALL ART CENTER, 638 PARK AVENUE, PARK CITY, UTAH

The Council Members attended a reception at the Kimball Art Center after the regular meeting for the Vail Resorts community grants recipients.

The County Council meeting adjourned at 6:05 p.m.

Council Chair, Claudia McMullin

County Clerk, Kent Jones

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, OCTOBER 16, 2013
SHELDON RICHINS BUILDING
PARK CITY, UTAH

PRESENT:

Claudia McMullin, *Council Chair*
Chris Robinson, *Council Vice Chair*
Roger Armstrong, *Council Member*
Kim Carson, *Council Member*
David Ure, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Karen McLaws, *Secretary*

WORK SESSION

Chair McMullin called the work session to order at 4:30 p.m.

- **Presentation of dividend check from Utah Local Governments Trust; Greg Baumgartner, Account Executive for Summit County**

Greg Baumgartner with Utah Local Governments Trust presented a dividend check in the amount of \$85,271.95 and thanked Summit County for its participation in the Trust, stating that they are instrumental in the Trust's success.

- **Continued discussion regarding the Summit County Health Plan; Brian Bellamy, Personnel Director**

Personnel Director Brian Bellamy recalled that he previously discussed with the Council whether they would like to offer an incentive for employees to opt out of the health plan and noted that he sent an e-mail to the Council today from the County's health care consultant discouraging them from doing that. The consultant was concerned about the statistical pool not being large enough and about adverse selection. Mr. Bellamy stated that he would like to move forward with the biometrics and health savings account. He explained that the biometrics could be done at the LiveWell Center, and the results will be reported only on a pass-fail basis. He reported that employees will be charged 10% of the premium costs for the high deductible health plans and the SelectMed plan. If they do not use tobacco, that charge will be reduced to 5%, and if they meet three of the five biometrics they will not be charged any premium cost. He is also proposing a lifeline, whereby if someone uses tobacco but participates in a cessation program, or if they do not quite meet three of the five biometrics but participate in the employee wellness program, and they successfully complete the programs, they can qualify for the 5% premium cost. He recalled that the premium increase this year is about 2.5%.

Council Member Armstrong noted that the Fire District is using the disincentive, and it seems to work well. He asked if there is a difference between what the Fire District is doing and what the County proposed. Mr. Bellamy replied that the County has a different demographic than the Fire District, with the average age of County employees being 45 years. The older people get, the more services they are likely to utilize, and more money is needed in the pool to cover the claims. Mr. Jasper explained that they are trying to build a pool, and offering an incentive to opt out could create an adverse impact on the pool. Council Member Armstrong explained that, if it is structured like the Fire District has structured its plan, a person could only opt out if they have insurance elsewhere, so it is not a healthy/unhealthy issue, and he questioned whether the County's consultant understood that. Mr. Jasper explained that the biggest component in the pool is County employees, and they are an older group. He stated that they hire a consultant because he has the expertise to give them sound advice.

Council Member Carson commented that some people carry double insurance because they are not as healthy and want the additional coverage.

Council Member Robinson explained that the County is paying the premiums, and it is not like a third party pays the premiums so they want to keep everyone in the pool. The premiums are a cost to the County, and if the pool shrinks, the County would save that money. So far he has not heard an answer showing how this would not be a savings to the County and why it would not be a smart thing to do. He did not understand why the County would want to pay those premiums if an employee wants to opt out. Mr. Jasper stated that the purpose of a pool is to spread costs across a large number of people. Council Member Robinson argued that, if they need a bigger pool to spread the risk, they should open the plan to others and pay to put them on the plan.

Council Member Armstrong explained that the County is paying 90% or more of the premium cost, and if they pay someone a small percentage of that premium to opt out of the pool, the County would save the remaining percentage. He stated that someone leaving the pool would have to be so impactful that the entire pool depends on that percentage they are saving, which is not logical. It would have to have such a dramatic effect that it would nearly double the cost of the insurance. If the County saves 80% to 100%, premiums would have to rise so high that everyone left in the pool would have to make up that difference plus, which makes no sense. He stated that nothing they are discussing would necessarily take the healthiest people out of the pool.

Mr. Jasper recalled that the County seeded this program by \$200,000, and he did not want to have to take money out of the general fund again to provide more seed money. He wanted the pool to grow and prosper.

Mr. Bellamy stated that he understands the consultant's concerns about adverse selection, because those who are heavy users of the health plan will not leave the plan. Council Member Robinson suggested that if they were to take the incentive down to \$200 and put the remainder of the premium into the pool, the County would be money ahead. He believed they should try letting people opt out and see what happens.

Council Member Carson noted that, even though the County is self-insured, they get contracted rates through the insurance company, and if the pool is smaller and healthier, there could be a risk that those rates would go up. Mr. Bellamy explained that the County pays all the claims, plus administration costs; they just want to be sure there is enough money in the pool to pay the claims. Council Member Carson stated that she wished the consultant were here to answer questions in case they do not understand his letter. She was not certain that they have the information they need to make a good decision.

Council Member Ure asked about biometrics for spouses or families. Mr. Bellamy replied that spouses and families are not included in the biometrics this year, but they would eventually like them to participate, because they are part of the claims pool. He stated that they are making changes in small steps. Council Member Carson stated that she would eventually like to see the HSA tied to the biometrics and that the spouse should also meet the biometrics in order to receive the additional money. She believed the HSA contribution was generous.

Chair McMullin agreed with Council Member Robinson's suggestion that they lower the amount of the incentive to opt out and put the remainder of the premium into the pool. She could not see a downside to doing that, because they would address the adverse selection concern by putting the money the County saves into the pool. She believed they should try it.

Mr. Jasper continued to argue that letting people opt out would create an adverse selection situation.

Council Member Carson asked if having a smaller number of people in the pool would affect the contract rates. Mr. Bellamy did not believe losing a few people from the pool would increase their contract prices. Generally, the contractors only look at the rates if there is a change of more than 10% in the number of people going into or out of the pool.

Council Member Robinson noted that, if for some reason this does not work, the County could reverse the decision and sign the employee back up for insurance. He would like to see the County try it and pay anywhere between \$200 and \$300.

Council Member Armstrong verified with Mr. Bellamy that the Affordable Care Act would not affect this. Mr. Bellamy confirmed that the County is well within those guidelines.

Council Member Ure stated that he did not see how this would hurt the County if they continue to put the premiums into the pool. He confirmed with Mr. Bellamy that what they propose would not hurt any employee and their ability to receive health care. Mr. Bellamy explained that the employee would have to provide the County proof of credible coverage under another plan.

Council Member Robinson suggested that they offer the employees \$250 to opt out, and the other Council Members concurred.

Council Member Carson stated that she has always wanted to encourage people to not have dual coverage. She requested that Mr. Bellamy take their questions to the consultant, and if he suggests something that might change their minds, they would consider that information.

- **Report on gang activity in Summit County; Sheriff's Office**

Sheriff Dave Edmunds stated that in 2008 he started seeing more gang-related crime in the County and realized they did not have much gang expertise. They recruited the foremost gang expert in the Salt Lake Valley, Andy Burton, and were able to get his salary and equipment covered by a federal grant. They found a large number of active gang members living or working in Summit County and committing crime and did their best to deal with it proactively. He explained that Andy Burton left earlier this year to become Police Chief in Saratoga Springs, and with the budget cuts, the County does not now have a full-time gang liaison. He explained that it is difficult to document gang members until they commit a crime, and currently 400 documented gang members have ties to this community. When they were more actively pursuing gang members and documenting them, a number of them moved back to the Salt Lake Valley. He explained that gang members do not like law enforcement knowing who they are, and his office was able to make it uncomfortable for them, so they left. However, they are not doing as much of that as they have done in the past. He stated that from 2008 to 2011, about 20 stories aired on TV and radio regarding the innovative enforcement the County was doing relative to gang activity.

Chair McMullin asked if there are geographic pockets of gang activity in the County. Sheriff Edmunds replied that they are predominantly in the subsidized housing areas. Chair McMullin asked if there are areas where they tend to gather. Sheriff Edmunds replied that they had been frequenting certain establishments, but some of them are now closed. In the last year, most of their crimes have been misdemeanors, but previously they have had some violent crimes related to gang activity. He stated that they are able to identify many of them at large gatherings, but there is a documentation process the County has to go through to document them as gang members. He explained that the large cartels are usually involved in the big drug busts. He commented that older gang members are a little more savvy and will commit crime in Salt Lake and then come back to Summit County for refuge.

Council Member Armstrong asked what people should be looking for and if they increase their chances of encountering gang members if they go to certain places at certain times. Sheriff Edmunds replied that it is difficult to look at someone and recognize that they are a gang member and that they have taken things underground a little bit because law enforcement has been so proactive. He stated that they always caution the public to be vigilant and aware, particularly in the darker hours in more populated areas of the County. Council Member Armstrong asked if the cartels are manufacturing drugs in the County. Sheriff Edmunds replied that primarily the product is manufactured in Mexico, and they may bring it here as a distribution point to other areas. He explained that, through their efforts with the DEA, Summit County has been able to send a strong message to gangs and cartels that the County is sophisticated and understands how investigations are conducted, and they have the backing of the Federal Government to be able to conduct an investigation.

Council Member Ure asked if they try to keep gang members separate from other inmates at the jail. Sheriff Edmunds replied that they try their best to do that, and they do not house foreign nationals in the County Jail. He explained that only a few jails in the State house federal inmates. Council Member Ure asked what the Council could do to help educate the public. Sheriff Edmunds replied that, if something seems a little strange, they should report it, but they need to be patient, because it takes a long time to conduct an investigation, as the cases are very

complex. He stated that they appreciate tips from citizens and explained that most of the narcotics cases in the last few years have originated with calls from the public.

Council Member Armstrong asked about communication with Wasatch County and the type of expertise they have there. Sheriff Edmunds explained that they work closely with Wasatch County. He commented that criminals don't know jurisdictional boundaries, so they flow back and forth between the jurisdictions.

Council Member Carson asked if the Sheriff's Department is still working in the school as a prevention measure. Sheriff Edmunds explained that, because Andy Burton is now in Saratoga Springs and because of budget setbacks, they have not been able to do as many of those programs as they have done in the past.

CONVENE AS THE BOARD OF EQUALIZATION

Council Member Armstrong made a motion to dismiss as the Summit County Council and to convene as the Summit County Board of Equalization. The motion was seconded by Council Member Robinson and passed unanimously, 5 to 0.

The meeting of the Summit County Board of Equalization was called to order at 5:43 p.m.

CONSIDERATION OF APPROVAL OF 2013 STIPULATIONS

Board Member Armstrong made a motion to approve the 2013 stipulations as presented. The motion was seconded by Board Member Robinson and passed unanimously, 4 to 0.

DISMISS AS THE BOARD OF EQUALIZATION AND RECONVENE AS THE SUMMIT COUNTY COUNCIL

Board Member Armstrong made a motion to dismiss as the Summit County Board of Equalization and to reconvene as the Summit County Council. The motion was seconded by Board Member Ure and passed unanimously, 4 to 0.

The meeting of the Summit County Board of Equalization adjourned at 5:44 p.m.

REGULAR MEETING

Chair McMullin called the regular meeting to order at 5:44 p.m.

- **Pledge of Allegiance**

MANAGER COMMENTS

Mr. Jasper reported that there is construction going on along Bitner road to bring a sewer line to Plat I in Silver Creek for a potential commercial development. There is ongoing discussion as to whether they will extend sewer to the already established portion of Plat I. He will look at the advisability of using assessment districts or other financing tools to help pay for the sewer line extension. He noted that helps to meet a couple of the County's strategic goals.

Mr. Jasper reported that he has tried several times to schedule a meeting with Service Area 3, and their Chair is not available until November 6. He explained that they do have a tax rate and collect taxes from residents, but the process is not always smooth in how they hold their budget hearing and get a resolution to the County. They will discuss that, and he will also explain to them how the Planning and Building Departments work. They will also talk again about maintenance of the roads in Service Area 3.

Mr. Jasper stated that he has spoken with the trash company and recalled that they had been bringing their recyclable materials to Heber. Heber is now overwhelmed, so they are taking them to Salt Lake, and he is trying to find a place in the County where they could take the recyclables. He explained that they will also have to do more education, because they are starting to get more bottles and glass. They are also starting to get deer and elk parts stuffed in recycling bins in the eastern part of the County.

COUNCIL COMMENTS

Council Member Carson reported that she attended the finance committee meeting with Council Member Armstrong this week. She also attended the UAC legislative committee meeting. She reported that the leash law task force also met this week. She explained that they have been going through committee reports and will have presentations from other stakeholder groups at their next meeting to discuss the possibility of having some voice command areas or dog parks and policies related to them. She was not certain when that would be wrapped up, but she believed during the winter after the budget discussions would be a good time to bring their findings to the Council. Chair McMullin commented that just having brought the topic up seems to have made people more aware about having their dog on a leash.

Council Member Ure requested to meet with Mr. Jasper regarding a water quality issue. He commented that there is a lot of growth in the vegetation at the burn area in Rockport, which should help diminish the possibility of floods in the spring.

Council Member Robinson reported that the UAC annual meeting will be held in St. George on November 13. He also reported that he attended a Wasatch Summit Executive Committee meeting, and the facilitator and consultants are on board. He stated that a lot of activity is occurring with that process.

The Council Members discussed the possibility of canceling the November 13 Council meeting because of the UAC convention and because Chair McMullin will be out of town.

APPROVAL OF COUNCIL MINUTES

AUGUST 28, 2013

SEPTEMBER 4, 2013

Council Member Ure made a motion to approve the minutes of the August 28 and September 4, 2013, County Council meetings as written. The motion was seconded by Council Member Robinson and passed unanimously, 4 to 0.

PUBLIC INPUT

Chair McMullin opened the public input.

There was no public input.

Chair McMullin closed the public input.

PUBLIC HEARING AND POSSIBLE ADOPTION OF PHASE I OF THE SNYDERVILLE BASIN GENERAL PLAN THROUGH THE ADOPTION OF ORDINANCE #816; JENNIFER STRADER, COUNTY PLANNER

Chair McMullin explained that they will first hold a public hearing on Chapters 1 through 8 of the General Plan. They will then hold a hearing on Chapter 9, Neighborhood Plans, and she will start with the Highland Neighborhood Planning Area. She explained that the purpose of the General Plan is to set forth the vision, mission, and character, goals, objectives, and policies of the Snyderville Basin. She clarified that the General Plan is an advisory document only. The actual rules that come from the General Plan are found in the Development Code, and they are not yet ready to develop those rules. She emphasized that they are not rezoning anything tonight, they are not changing the Development Code definition of a home-based business, and they are not making a decision as to whether they might change that definition in the future. She stated that the law is the law, and as the County Council, they have the duty to uphold the law. She explained that they want to take public input tonight on what people think about dividing the Highland and Trailside neighborhoods, what they think of the Highland neighborhood description, and whether the description is accurate. She apologized for any misunderstanding the Council may have contributed to relative to the Highland Neighborhood Plan. She stated that they have read every e-mail that was sent to them and received many phone calls, and they realize that they heard one side of a complicated issue at the last public hearing. It was never their intention to send a message at that hearing that the County would rezone the neighborhood from residential to commercial. She has heard from many people that the regulations regarding home-based businesses have somehow changed since 2004, which is absolutely not true, and they have not changed for decades. She has also heard that zoning in the Highland neighborhood changed in 2004, which is also not true. She has heard questions from business owners about why the County is now enforcing the rules when they have not previously done so. She explained that the County has one Code enforcer, and they enforce when someone complains. For the first time, someone in this neighborhood complained, so they sent out the Code enforcer and cited those who were violating the current law, and that is the only reason they are enforcing now. She has also heard that it is unfair to enforce the law when the County has not enforced it for 20 years, which is nonsense, because the law is the law, and the fact that someone got away with not complying for 20 years does not change the fact that it is the law, and it is the Council's responsibility to uphold the law. She commented that the Highland neighborhood is a great neighborhood, but home-based businesses have now grown to an untenable size, and someone complained. She emphasized, if someone received a citation for violating the home-based business law and was given an opportunity to correct it before January, that is exactly what they have, the opportunity to find a way to comply with the law before January.

Max Greenhalgh, a member of the public, suggested that the Council open the public hearing for the Highland neighborhood first, since most of the people in attendance wish to address that neighborhood. County Planner Jennifer Strader reported that she met with Council Member Robinson today to make some edits to the General Plan, most of which are minor, but a couple of items in Chapters 1 through 8 do need Council discussion. Chair McMullin agreed to hold the public hearing for the Highland neighborhood planning area first.

Planner Strader reviewed the Highland Estates Neighborhood Plan and explained that the goal of a neighborhood plan is to identify the characteristics of the neighborhood and determine what aspects the neighbors want to preserve. The Plan will ultimately be the basis of a work program for changes to the Development Code to implement the strategies in the neighborhood planning areas. The General Plan creates a framework for what they want to see in the Development Code, which is the regulatory document. Community Development Director Patrick Putt clarified that the General Plan creates the framework for future land use decisions and Code changes; i.e., what they want to preserve, what attributes they want to change, and opportunities they should avail themselves of to make the area better. Planner Strader recalled that this neighborhood was recommended by the Planning Commission as the Highland/Trailside neighborhood, and based on previous public hearings with the County Council, they directed Staff to split the Highland and Park Ridge neighborhood from the Trailside and Mountain Ranch Estates neighborhood. She reviewed edits to the language in the Highland neighborhood description as made by Council Member Robinson today.

Council Member Robinson explained that at the last public hearing, the Council directed Staff to separate the Highland neighborhood based on input received that evening, with the Council Members basically agreeing that they wanted to modify this neighborhood to give commercial activities more legitimacy. However, given the public input received since then, he felt it was necessary to edit some of the language. He explained that their goal should be to enforce the law, and he believed one goal in this neighborhood should be to resolve any incompatible uses and that the reference to home-based businesses should be deleted. He felt there was a fair difference between the Highland Estates and Trailside-Mountain Ranch neighborhoods and that they should separate the neighborhoods. He believed it would be a worthy goal for the Highland neighborhood to say that they want to preserve the residential character of the neighborhood and deal with the incompatibilities in the neighborhood.

Council Member Armstrong suggested that, rather than saying businesses have been established in the area, they should say that they have grown in the area, because he believed the businesses that are not in compliance have outgrown the Code.

Council Member Carson stated that she supports removing the paragraph regarding home-based businesses and having a separate plan for the Highland neighborhood. She believed there are significant differences between the Highland/Park Ridge area and the Mountain Ranch/Trailside neighborhood, including lot size, equestrian uses, and small-scale accessory structures. She believed they could include the statement “preserve the existing residential character and insure that any incompatibility of uses be addressed” in the neighborhood design objectives. Council Member Robinson suggested that they may also want to refer to the equestrian nature of the neighborhood in the neighborhood description.

Planner Strader provided the Trailside neighborhood description and explained that the language has not changed other than to remove the Highland neighborhood from the description and map.

Chair McMullin opened the public hearing on the Highland Neighborhood Planning Area.

Kristen Case, a resident of Highland Estates, stated that everything the Council has said is what she wanted. She fully supports enforcing the Code, and everything she previously opposed in the neighborhood plan language has now been removed. Initially she was not certain about dividing the neighborhood, because she thought it would allow businesses that do not comply with the Code to continue, but now she thinks they could be a separate neighborhood with the proposed definition. She suggested that they add a few things from the Trailside neighborhood, such as viewsheds, because they are important to their neighborhood. She also suggested that they refer to the bridle path in their neighborhood. She was glad that people contacted the County Council to let them know there was another side other than the business owners.

Leslie Masters, a resident of Highland Estates, did not want any new businesses in the neighborhood, but she wanted to have the existing businesses grandfathered. She stated that they allow movie studios and other things to come in, and she believed they should allow the businesses to exist as they are. She noted that the statute of limitations for many crimes is seven years, and these people have been there longer than that. She expressed concern about the increasing number of multi-family dwellings and apartment buildings in this single-family residence area. She also asked that the County apply the business laws to everyone, including people who sell Avon or run family foundations. She believed there are more businesses in the area than just construction vehicles.

Lee Wyckoff stated that he believed some lots are already zoned Commercial in Highland Estates. The reason he invested in this community was because of its individuality, and he believed a neighborhood design objective would be to allow for maximum individuality and allow people to do with their property what they are permitted to do. He believed the existing home-based businesses are appropriate and that there needs to be a level of courteousness associated with that. It was his opinion that an unenforced law does not represent an effective law or a law that should exist on the books, and it does not mean someone should suddenly start enforcing that law. He stated that laws should be reasonable and commensurate with the customs of the area. He bought into this area and did not want someone to take away his ability to open a small, home-based business in the future. He did not know why they would want to limit the trails to equestrian trails and activities. He likes to ride motor cross and asked why he could not ride motor cross on the trails, asking why they should spend tax dollars to benefit one limited subset of the population or society.

Sarah Wood, a resident of Highland Estates, explained that the internal trail system belongs to Highland Estates and has nothing to do with the County. She commented that she did her due diligence before she bought her home and saw what the area looked like. She is working class, and she saw a neighborhood where a working class person could be comfortable. She stated that they are very different from Mountain Ranch Estates, and she did not think they belong with them. She commented that the home-based businesses seem to be focused on men with earth-moving businesses. She noted that the Montessori school is not a quiet home-based business, and she did not see how they could legally discriminate between one sort of business and

another. She wants this to remain an eclectic neighborhood rather than turning it into some sort of beige housing estate.

Council Member Carson asked Mr. Putt to explain what is allowed in a home-based business. Mr. Putt explained that there are two types of home-based businesses. A Class I home-based business means the resident of the home has a business within the home that is basically limited to a desk, a phone, and a computer. It does not anticipate trips from outside users coming to the home. A Class II business is owned by the resident and could include an employee, parking of a business vehicle with a sign, and a low number of trips from the outside to come into the neighborhood. Neither type of business allows for more than one employee, outdoor storage, equipment, employee parking, etc. Planner Strader explained that a Class II home-based business requires a Low Impact Permit, and neighbors within 300 feet of the home are notified. If Staff receives comment from the neighbors, they can take the application before the Planning Commission for a public hearing. Council Member Robinson noted that both types of home-based business require a business license.

Mark Case, a resident of Highland Estates, commented that there is a certain level of mistrust of government, and there is concern that the Council may not be looking out for the interests of the residents individually. He supported making Highland Estates a different neighborhood because of its individual character. He did not want anything that would place more regulations on them. As a small business owner, when he moved in he looked at what the Code required and has complied with it. Because people chose to ignore the existing rules and create a commercial business does not obligate the County or the neighborhood to support a commercial business owner's business plan. He stated that it is the Council's responsibility to protect the nature of the neighborhood, and that has failed to occur. He would consider changing the reference to "equestrian" to state "non-motorized."

Sue Gordhammer, a resident of Highland Estates, stated that she appreciates the description the Council has suggested and believed it would be critical to include viewsheds in the description. With regard to the businesses, when she moved in two years ago, she saw a lot of business going on and asked the HOA to limit the number of vehicles.

Kathy Apostolakos, a resident of Highland Estates, stated that the good news is that this issue woke up the neighborhood, and they are now paying attention and want to be involved in the process. She has lived in Highland Estates for 16 years and has had a business license for 16 years. When she went to get the license, the County was very clear regarding the Code, and when she was granted her license, she agreed to not have more than one vehicle and to not have people coming and going from her house. She felt it would be unfair to grandfather people who have chosen to ignore the Code. She lives next to the Godfreys and is pleased with their success, but their business now needs to go to commercially zoned property.

Council Member Armstrong encouraged people to sign up with the County for e-mail notice of the public hearings.

Bill Buresh stated that he went to the previous public hearing and saw people submit a petition with signatures requesting a change of zoning to allow storage of equipment on their lots, and he believed that may have been where the confusion came from. With regard to the neighborhood description, he would hate to see the neighborhoods split, because he did not think Highland

Estates is that different from Trailside. They are all single-family residential, have home-based businesses, and do not want construction equipment and multiple employees working within their community. They both have trails that are open to everyone and animals they want to protect, and the streets are used to access both directions. They have fought land use issues together, including the Gillmor property, and he believed those are good reasons to keep them together. He believed it would be to their advantage in terms of numbers to have the support of a larger group.

Rebecca Benoit stated that she has lived in the community for 25 years, and not many people were here when she moved in. Her husband had a business and followed the rules, and when they follow the home-based business rules, it is not a problem for the neighbors. She stated that she has neighbors on both sides who are in violation of the current rules. One neighbor has been cited before and moved some of his equipment for a time, but it is now filtering back in. She stated that one neighbor moved to another neighborhood and now uses his home in Highland Estates as his office, with employees parking in front of the houses. They also have a home with multiple families in it with cars parked everywhere. She was not opposed to anyone having an entrepreneurial spirit and earning a living, but she did not want them to do it at the expense of their neighbors. She can no longer sit on her porch and enjoy the view, because all she can see is vehicles, storage, and trailers and hear the back-up beeps of their vehicles, and that impacts her. She believed they should enforce the rules and commented that people have a responsibility to know what the laws are and obey them, not blatantly disregard them.

Dave Lauren, a Highland Estates resident, stated that the area has evolved since he moved in. He stated that Highland Estates is nothing like Trailside, and he believed Highland Estates is pretty much what it is going to be, because there are very few lots left, and what it has evolved into is the character of Highland Estates. He was shocked when he learned of all the violations, because he had no idea they were there, which means they are not obtrusive. He lives by Randy Godfrey, and Mr. Godfrey can park a lot on a 2-acre lot and it cannot be seen. He stated that Jim Daly has one of the businesses that was complained about, and unless you know where to turn and look, you would not be able to see what he has tucked into his property. He stated that the businesses leave in the morning, and other than that, no one would know they are there. He stated that there is something really wrong when people can't use their land the way they want to.

Jon Manley stated that he lives across the street from Randy Godfrey, and every day, all day, he sees vehicles and employees coming and going. He never complained until about a week before the last hearing, and he complained because it looked like a parking lot was going in next to Mr. Godfrey's house and asked him about it. The thing that concerned him was that Mr. Godfrey told him how successful he had been and that he wanted to continue to build his business. At that point, he felt enough was enough. He has been patient and put up with it for years, and in 2005 when he moved in, he had no idea there was a business there. Now there are seven or eight trucks and multiple trailers. He does not see them when they are parked, but he sees them constantly coming and going. At nighttime when they are plowing snow, they start at 2:00 in the morning. He provided a recording from inside his house of vehicles beeping as they backed up. He stated that not a day goes by that he is not impacted by this.

Chair McMullin reminded the public that they are here to discuss whether the Highland neighborhood should be a separate neighborhood and to take input on the neighborhood plan description. She assured them that the Council has no intention of grandfathering any of the existing businesses in Highland Estates.

Wendy Hurd stated that she supports separating the neighborhoods and that she chose Highland Estates for the diversity. She supports grandfathering the existing businesses with certain limitations. She has heard arguments about the safety of the children, but she does not have an issue with the Godfreys' trucks, because they leave in the morning and come back at night. She believed most neighborhoods have landscaping trucks going in and out every day, and she is more concerned about traffic from the school. She believed there is an issue of storing commercial equipment and stated that other people in the neighborhood store a bunch of crap. She likes the neighborhood because people have the ability to do what they want with their lots, and she did not think they should single out commercial storage when everybody else has junk in their backyard. She stated that she is a friend of the Godfreys, and they have been receiving threatening phone calls and people have been intruding on their privacy.

J. K. Woods, a resident of Highland Estates, stated that his home is now surrounded by about six businesses, and none of them are intrusive to him. He likes the fact that they are able to make a living and supports them wholeheartedly. He moved here from Salt Lake to be in the country, not in the city, and he believed they should let people have their businesses.

Charles Edington stated that he has seen a steady increase in the number of businesses in the last five years. He expressed concern that the fleets of work trucks results in numerous employees coming and going through the area. They arrive in the morning when children are going to school and leave in the evening when children are playing outside, and he is not happy about that. He believed loosening the regulations would result in Highland Estates becoming a dumping ground for Park City. He was in favor of what the Council is doing.

Rob Walsh, HOA President of Park Ridge Estates, stated that the only reason he has heard for separating the neighborhoods is because of design goals, and he believed they have the same design goals as a neighborhood. He asked why they have the words "which may be inconsistent with the Code and current zoning" in the language. Chair McMullin explained that the design goals are basically the same, and the reason they are separating the neighborhoods is because of the different neighborhood descriptions. She felt there were unique characteristics to each of the two neighborhoods. Council Member Robinson explained that he was trying to acknowledge in his proposed language that some businesses in the neighborhood may be inconsistent with the requirements for home-based businesses. Mr. Walsh explained that he is saying that home-based businesses are allowed, and the County should enforce the Code rather than acknowledge that some businesses may not conform. Mr. Putt explained that the operative concept is the other commercial activities. He clarified that the first paragraph is meant to be a description of what currently exists on the ground. If there are attributes that currently exist that need to be addressed for some reason, they need to look at that in their work program and do something about it in their future decision making. Council Member Robinson clarified that the intent of the statement is to see that the incompatible uses are addressed. Council Member Carson explained that the General Plan is advisory, which means it sets the tone and reflects the values and goals of the community, and the Development Code is the regulatory document. Mr. Putt

noted that using the word “addressed” leaves it open to a number of options for accomplishing the goal.

Jim Ramsdell, a resident of Highland Estates, stated that he is comfortable knowing that someone down the road has a backhoe if his water line erupts or his sewer line backs up. He believed people should be glad to have a tight-knit community where people help each other in times of crisis. If someone has a problem with their neighbor, they should talk to them, and there is likely to be a solution.

Marty Kaufmann, a resident of Highland Estates, stated that he received a plot plan when he moved into the neighborhood, and it showed the non-motorized bridle easement. He also had a home-based business for which he had a permit, and he followed all the guidelines. He was very lucky, and his business was very successful. It would be easy for him to skirt the guidelines and keep his business at home, but that would be very inconsiderate to his neighbors, so it costs him an additional \$20,000 a year to have his business in a commercial area where it is appropriate. He believed people should be considerate of their neighbors. He asked the Council to keep in mind that Highland Estates was there long before the other neighborhoods, and he did not believe they should be detached but should be considered as a whole and that everyone should be considerate of the neighborhood as a whole.

Julie Simonds, a resident of Highland Estates, stated that they chose to live in Highland Estates because it had a lot of sagebrush and space. If someone has lived on a ranch, they know there is a lot of junk around, and that is OK. They have their own business with ATVs and trailers parked in the back. She stated that this is a neighborhood of eclectic people who live and let live. Originally she thought the two neighborhoods were different, but their goals are actually the same as other neighborhoods, so she does not know whether the neighborhoods should be separated. She thanked the Council for talking about upholding the Code.

Gene-O Young stated that he likes the idea of separating the neighborhoods, because they are different. He likes that this is a starter neighborhood that allows people to create something for themselves. He would like to see the neighborhood get back to the way they were, with people talking to each other and addressing each other about the issues. He asked the neighbors to communicate with each other. He did not know he was bothering people and would appreciate it if people would come talk to him about it.

Roger MacPhail, a resident of Highland Estates, stated that the only place he considered moving after having been gone for several years was Highland Estates, because it is still a neighborhood. He hoped there could be accommodation for some of the businesses. If some of the businesses have grown too large, he believed that is an issue for Highland Estates to take care of on its own. He stated that the businesses do a lot of things for the neighborhood that people are not aware of. He agreed that they need to get back to talking with each other. He believed Highland Estates, because of the lot sizes and its original intent, has a distinct flavor unlike any other neighborhood in Summit County. He hoped some accommodation could be made for the businesses.

Steve Perkins stated that he likes the description of the Highland neighborhood. He and his wife disagree as to whether Highland Estates should be a separate neighborhood, but he believed it should be separate.

Linda Perkins stated that she was unsure whether Highland Estates should be a different neighborhood. Looking at the description of the Trailside neighborhood, some things are mentioned in that neighborhood plan that are not mentioned in the Highland neighborhood plan. She noted that Snowview Drive goes directly to Trailside School and the church, and they are affected by the traffic. The elk migrate through her backyard, and they do not know they have left another neighborhood. She stated that they have a lot of the same goals and needs and values. She appreciates the changes that were made to the Neighborhood Plan and the information provided at the beginning of the public hearing.

Council Member Armstrong commented that this is an advisory document explaining the neighborhoods should look. When he drives through Highland Estates he sees large lots, large trailers, boats, and storage sheds, but he does not see the same things when he drives through Trailside. He asks himself, when it comes to planning for those neighborhoods, whether it is a one-size-fits-all situation. He did not believe they ever would have another proposal like what they saw on the Gillmor parcel, but if they did, he believed all the neighborhoods in the area would find a way to come together and speak collectively.

Kathy Mears stated that her husband has a small business, and they have one van that comes and goes once a day. She had mixed feelings about the businesses in the neighborhood and noted that those who have those businesses have always been willing to help their neighbors. She stated that they have struggled over the years to have stronger CC&Rs, and if the CC&Rs were stronger, she believed they would find ways to accommodate those who have been there and built the community and come together as a community and work things out. She stated that the issues go beyond home-based businesses. She explained that the bridle easements are recorded on the plat, and because of that, there is no question about allowing motorized access. She noted that the CC&Rs designate some of the lots along Highland Drive as commercial.

Randy Godfrey stated that he was born and raised in the house he lives in now, and it was never his intention to change the zoning to commercial. He simply approached the Council to ask for their consideration and perhaps some immunity based on the fact that the common culture in Highland Estates is that of small businesses being run from there. He has not had push-back from his neighbors until this year and has tried to be considerate. He stated that he takes pride in his neighborhood and his lot. He apologized if he had offended his neighbors and stated that he would comply with whatever the County decides. He commented that cars driving 60 mph down Snowview Drive in the morning are a bigger safety issue than his truck and trailer. He noted that trucks and traffic are everywhere in Park City, not just in Highland Estates. It was his opinion that the impact from his business is minimal, but he acknowledged that not everyone has that opinion. He apologized for any miscommunication which may have occurred.

Dub Shawhan stated that he runs a landscape business from his property with two trucks and a couple of pieces of equipment. He has two acres, and he did not see the difference between a couple of vehicles and a couple of pieces of equipment and a huge trailer on someone's property. He stated that Highland Estates is not like the other neighborhoods around them. The lots are much bigger, and the houses are much different than the ones in the other neighborhoods. He stated that when they tried to strengthen their CC&Rs, people stopped talking to each other, and that is not the way to go. He wants to stay the same as he has been for 18 years.

Joel Andrews stated that he has plowed people's driveways without asking for compensation. He found a need in the community when he moved here for someone to repair equipment. People were always trying to borrow a trailer or a truck to take their snowblowers or lawnmowers to Salt Lake City to be repaired, so he started Park City Power out of his home until the County told him he could no longer do it. It was cost effective for him and for his customers, but someone did not like what he was doing. Because he had to open a shop, he had to charge more. He keeps hearing that they should support local businesses, but if they have to get a shop and house their vehicles, those costs have to be passed on to their customers. He was not doing anything hazardous, and neither is Mr. Godfrey. He asked that they be a neighborhood, not just a 'hood.

Jean Thiriot stated that she has lived in the neighborhood for 25 years, and when there have been tragedies, it has been the people with businesses who have stepped up. She believed the County has tried to help in some ways, because they have let things go, and now people who are trying to make a living and help their neighbors are being penalized for it. With today's economy, she believed there should be help for the people who are trying to make a life for themselves and not depend on government supplements. If some businesses have gotten out of hand, they should consider how long they have been there and the profits the County gets from them. If they have a business license, she asked why their location was not taken into consideration when they got their license. She believed there are problems with the Council and Planning Department that it has taken so many years to get to this point, and now the people who are trying to make a living are paying the consequences. She believed they should work as neighbors and try to maintain their neighborhood. She believed Trailside was put in without any consideration of Highland Estates. They travel through the Highland Estates neighborhood, and there is as much traffic to the schools as there is with construction.

Chad Metzger, a resident of Highland Estates, believes their neighborhood is different, and he would like to keep it that way. He stated that the diversity in their neighborhood is one of the most attractive parts of the neighborhood. He does not operate a business out of his home, but for those who do, if they are growing, they need to talk to each other as neighbors and solve the problems and make compromises. He did not believe the businesses should be kicked out of the neighborhood if it is helpful to keep them in the neighborhood. The businesses now know they are impacting the neighborhood, and he asked the County to give them a chance to see if they can make some changes and accommodations.

Cathy Barker believed it is right to separate the Highland neighborhood from Trailside. She stated that their neighborhood is unique, and that should be taken into consideration in planning for the neighborhood. She liked how the Neighborhood Plan is written. She believed they are bringing out that there are checks and balances, and if things get too big, they need to be reexamined.

Howard Kahlow, a resident of Highland Estates, stated that their neighborhood is more affordable, and they are able to have some elbow room. He believed they are unique when compared with the surrounding neighbors. There is more diversity of homes, larger lots, and it was set up as horse property, which makes it more rural. He commented that both home-based business classifications sound low key. With the size of the lots in this neighborhood, if there is a detached building and the equipment is screened, he believed they could accommodate more than a typical home-based business.

Amanda Godfrey stated that Highland Estates is definitely a different neighborhood. She has been personally threatened by people calling and sending the press to her home. She wants to be a good neighbor, and they did not know they were in violation or that they were bothering people. They leave in the morning and come home at night. She asked where they could go, because they have been trying to find a place to locate their business. The only place they have found is in Heber, and they have not been able to find commercially zoned property in Summit County. Chair McMullin asked Ms. Godfrey to contact the County's economic development specialist, Alison Weyher, who would know where the commercial zones are in the Snyderville Basin and in the County.

Council Member Armstrong commented that what has happened is that a successful business has outgrown the neighborhood. He explained that it is not just one truck or one employee coming or going, there are at least 10 employees coming and going every day and multiple trucks speeding through the neighborhood. He stated this probably would not have been reported if it had not risen to this level. He also addressed the comments that people in this neighborhood want to do what they want with their land. He stated that Nadine Gillmor felt the same way when she wanted her property developed and used the way she wanted, and this neighborhood stood up and said that was not acceptable because it would impact them too much. He explained that the County does regulate neighborhoods and has zoning laws and ordinances to keep order in neighborhoods. People can choose to look the other way and not report people, but there are laws, and if they come to the attention of the County, the County is responsible for enforcing them. The laws are there for the health, safety, and welfare of the neighborhood. Either this is a rural residential neighborhood, which has a specific definition and uses attached to it, or it is something else. If it is something else, it opens the door for a wide variety of commercial uses, and the neighborhood needs to understand the impacts that come with that.

Council Member Robinson recommended that they keep the Highland neighborhood separate but suggested that they look at the Trailside neighborhood and add some of the elements from that neighborhood, such as viewsheds. He noted that this is the most rural residential neighborhood in the County, and he would like to see that reflected in the General Plan to recognize that it is more rural than other neighborhoods. He liked the edits for this neighborhood as written.

Planner Strader reviewed the edits and comments made by Council Member Robinson for Chapters 1 through 9. She referred to Chapter 3 and noted that they have categorized open space into four categories—pristine, managed recreation, active, and internal public spaces. Council Member Robinson had questioned whether there is any pristine open space in the Snyderville Basin. Mr. Putt explained that the Swaner Nature Preserve is an area of pristine open space, and there are other potential areas in the North Mountain Neighborhood Area, which is north of East Canyon above Jeremy Ranch.

Planner Strader discussed the definition of critical lands and sensitive lands. The current Development Code identifies sensitive lands as wetlands, floodplains, or slopes over 30%, and it has been proposed that they make a critical lands designation where development would be prohibited. That would include slopes, geologic hazards and avalanche tracks, 100-year floodplains, wetlands, and ridgelines. Sensitive lands would then be permanent seasonal drainage corridors, ranching, agricultural land, and historically significant sites, and moderate slopes. She explained that the intent was to identify areas as sensitive lands where it may not be

appropriate to locate development, but development could be located there if there were nowhere else to locate it. Council Member Robinson suggested that they get rid of the sensitive lands designation. Mr. Putt stated that Staff would support deleting that designation.

Council Member Armstrong stated that they need to do more to address protecting water sources and water quality in Chapter 5. He would also like to see something about mass transit in Chapter 8 regarding transportation, circulation, and connectivity.

Chair McMullin opened the public hearing on Chapters 1 through 9 of the Snyderville Basin General Plan.

Brian Bitner noted that Chapter 3 says the goal is preservation of sensitive lands, which includes agricultural lands. He did not understand why agricultural lands are classified as sensitive lands. The Council Members noted that they believe sensitive lands should be removed from the language. Mr. Bitner stated that he supports 3.12 regarding open space on large lots. He does not like 10-4-4 because only 25% of critical lands can be counted as open space. Planner Strader noted that is a reference to the Development Code, which will be discussed after this. Mr. Bitner thanked the Council for consolidating his property into one neighborhood.

Planner Strader reviewed the language that will be used in the Rasmussen, Bitner, and East Basin neighborhoods to provide consistency for the Bitner property.

Will Pratt with the Snyderville Basin Special Recreation District commented on pristine open space and asked whether only a portion of the Hi-Ute Ranch will be pristine open space. Planner Strader confirmed that the Hi-Ute Ranch was moved to recreational open space.

Max Greenhalgh stated that originally it looked like the changes to the General Plan would be a new approach, and he was gratified to see the update building on the foundation he was involved in helping to create. He stated that it is definitely time for a thorough revision. He agreed that brevity is good, but there is a cost to that, and because of the brevity of the proposed General Plan, many of the components are not coming through clearly. One example is the discussion of critical versus sensitive lands. He stated that the attorneys have indicated that critical lands are those that case law has established as not being eligible for development or severely restricting development, and jurisdictional wetlands and 100-year floodplains are a prime example of that. He stated that sensitive lands are lands that would be somewhat under that, and the whole approach, which is not contained anywhere in the simplified General Plan, is that all development would be clustered in mixed-use centers or low density rural zones everywhere else. They would incentivize the developer in those other areas outside mixed-use centers by doubling the density if they concentrate all their density into 30% of the least environmentally sensitive areas and provide trail easements. He stated that a good example of a sensitive land would be a viewshed. He believed case law should help establish that. He was surprised that they would want to eliminate sensitive lands, because there is not a clear understanding of the main strategy of the growth management plan, which is to incentivize development by giving extra density. He stated that extra density is in the Code, but it does not say what they are trying to achieve. He explained that is one example of how brevity has lost what they are trying to accomplish with sensitive lands versus critical lands.

Council Member Robinson stated that his comments on sensitive lands were based on the definition, which includes farm and ranch, drainage corridors, and 15% slopes. Mr. Greenhalgh agreed that those do not belong in sensitive lands. Council Member Robinson stated that, if they were to come up with a new definition for sensitive lands that means something and use that as an incentive, it would be entirely different.

Mr. Greenhalgh stated that he has a series of questions that he does not believe are answered in the General Plan. He asked what is the core value that unites all segments of the citizenry, what is the principle strategy to achieve the mission statement, how they define suburban sprawl, how they can justify high densities in mixed use centers and low densities everywhere else. He stated that when he submitted his comments, there was a different Community Development Director and a different Planner working on the General Plan. He asked for an opportunity to meet with Staff and present his concerns. He stated that he brings to the table nine years of serving on the Planning Commission and 35 years of observing and participating in planning-related issues. He believed the General Plan is going in a good direction, but there is a cost to brevity, and they are losing some of the meat. He stated that the core value that unites all segments of the community is the desire to preserve the alluring beauty of the natural environment, and once they have that, everything else will fall into place, and it is the foundation for the mission statement. He has already laid out the principal strategy to achieve the mission statement, but it is not laid out simply in the General Plan. He noted that they do not have the characteristics of the three residential zone districts in the General Plan, and he has tried to set forth some of the characteristics of all three residential zones so it is easy to understand why they are zoned that way. If there had been more of this information in the General Plan and Development Code already, they might not have had some of the things happen that have happened. He stated that he submitted recommendations to Staff, and some of them did not even get to the Planning Commission.

Chair McMullin agreed that Mr. Greenhalgh should meet with Staff and go through his recommendations.

Chair McMullin held the public hearing open on the General Plan.

PUBLIC HEARING AND POSSIBLE ADOPTION OF AMENDMENTS TO CHAPTERS 2, 3, 4, 8, AND 11 OF THE SNYDERVILLE BASIN DEVELOPMENT CODE THROUGH THE ADOPTION OF ORDINANCE #817; JENNIFER STRADER, COUNTY PLANNER

Planner Strader explained that when the General Plan amendment process started in 2009, Staff immediately started moving the regulatory language from Chapters 1 through 8 into the Development Code. In 2011 the Planning Commission reviewed the amendments and forwarded a positive recommendation to the County Council. Staff did not bring the amendments to the Council at that time because they knew there would be more amendments through the General Plan process. When they worked on the neighborhood plans, they removed the regulatory language and added it to the Development Code. She commented that she was surprised that there were not a lot of Development Code amendments, because the language already existed in the Development Code or the language is better suited to be reviewed with Phase II of the General Plan.

Council Member Armstrong referred to 5.2-A and asked about the siting requirement in the least sensitive portion of the property. Planner Strader clarified that development needs to be sited out of critical lands. Council Member Armstrong asked if they need to consider the least sensitive portion of the property as discussed by Mr. Greenhalgh. Planner Strader replied that they probably would have to if they are going to go back to defining sensitive lands.

Council Member Robinson asked about the 25% standard for critical lands as it applies to open space and stated that he believes that is asking a lot. He suggested that they discuss that, because they are already so restrictive to start with. Planner Strader explained that is a requirement in the existing General Plan. Council Member Robinson noted that they are already telling people they cannot do anything on critical lands and then telling them they can only count 25% of them as open space, which seems like double indemnity. He would be willing to allow 100% of critical lands to be classified as open space. Mr. Putt stated that he would support allowing 100% of critical lands to count as open space and explained that there are other tools in the development standards that help achieve open space corridors within the development of the property.

Council Member Armstrong stated that he likes the language in Policy 5.4 about small isolated pieces of open space and asked if they could put it in the Development Code. Planner Strader replied that they removed that language because it should be in the General Plan and is not regulatory language. She offered to see if there is a version of that language in the Plan.

Council Member Robinson recalled the discussions about meaningful open space and how to count it in the Stone Ridge project and asked if they still have multiple definitions of open space. Planner Strader explained that they removed “meaningful open space” and categorized it into the four categories discussed previously.

Council Member Armstrong asked why the language regarding transfer of density was removed. Planner Strader replied that it was intentional, because they do not have a transfer of density program, and if they develop one, it will be done in Phase II.

Mr. Jasper noted that they will be putting money in the budget for someone to codify everything once the General Plan process is complete, and right now they are just in transition.

Council Member Carson stated that she does not like the word “merely” in 10-4-4-A.1.

Council Member Ure asked if the Development Code is the proper place to include financing to maintain open space. Mr. Putt replied that they would want to have the mechanism for how to maintain open space placed in the Code. Mr. Jasper expressed concern that, if they put it in the Development Code, they would be legislating something that would require them to budget for it every year.

Council Member Robinson referred to 10-4-4-C-2 and asked what it means when they say open space can be held passively. He asked in what situation they would not ask for a conservation easement when they are granting additional density for preservation of open space and suggested different language for that paragraph. He suggested that they say the open space could be preserved through a plat note, deed restriction, conservation easement, or whatever method they choose. He referred to Section 10-4-3-A and noted that they went to a lot of effort to define legally created lots, and he wants to be careful in how they use those terms. He suggested edits

to Section 10-4-3-A to refer to legal parcels using the terms of art already set up in the Code. He referred to Section 10-4-10(H) and suggested that the language state that the design of bridges and culverts shall be reviewed, not that the bridges and culverts shall be reviewed. He referred to 10-4-9(C)(1) and stated that he does not know what is meant by large expanses of asphalt. He noted that Section 10-3-9 pulls the General Plan into the Development Code and makes it regulatory, and that is expanded even further in Section 10-3-10. By definition, the Code should be based on the General Plan, so they should not have to refer back to the General Plan, because the General Plan is advisory, and the Code is what rules. He believed the Code should be written well enough that, if the applicant complies with the Code, that is all he needs to do. Mr. Putt explained that there are standards in State Code that require consistency with the General Plan. He explained that consistency does not mean absolute compliance with every word in the General Plan; it means meeting the general intent of the Plan. Council Member Robinson suggested that they use wording such as “substantially complies.” He believed they need to be careful with the Development Code language, because it is the test developers have to meet, and they want it to be clear.

Planner Strader explained that some of the items being discussed are existing language, and she did not look at it, because she was just moving language from the General Plan into the Code. She explained that much of this will be part of the overall Code rewrite.

Council Member Robinson suggested other edits related to the section on critical lands, wetlands, floodplains, geologic hazards, ridgelines, and open space requirements.

Chair McMullin opened the public hearing on the amendments to the Development Code.

There was no public comment.

Chair McMullin left the public hearing open.

The County Council meeting adjourned at 9:50 p.m.

Council Chair, Claudia McMullin

County Clerk, Kent Jones