

EMIGRATION IMPROVEMENT DISTRICT

BOARD OF TRUSTEES REGULAR MEETING

THURSDAY, MARCH 12, 2015

EMIGRATION CANYON FIRE STATION
5025 EMIGRATION CANYON ROAD
SALT LAKE CITY, UTAH

Board Members in Attendance: Mark Stevens – Vice Chair, David Bradford

Ex Officio: Eric Hawkes—Manager, Don Barnett—Barnett Intermountain Consulting, Jeremy Cook—Legal Counsel

Vice Chair Stevens called the meeting to order at 7:00 p.m.

1. Consent agenda approval

MOTION: David Bradford made a motion to approve the minutes of the January 8, 2015, and January 14, 2015, Board of Trustees meetings as written. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

2. Discuss water right leases and public comment

Mr. Hawkes recalled that the water right leases have been discussed in Board meetings since January of this year, and a letter was sent to each Canyon resident with a leased water right. He suggested that the Trustees open this item up to public comment and determine how to proceed. He summarized that at one time the owners of the lots with water leases requested to lease a water right from the EID, and the lease agreement stated that they agreed to connect to the water system when it became available.

John Massion asked about the expenses involved in connecting to the water system and what arrangements can be made for a low interest loan to connect. He asked about current costs for water use and whether any consideration would be given for those who have been on standby for years. Carol Massion asked how many people are still on standby. Mr. Hawkes replied that approximately 60 property owners have standby agreements, and eight people have water right leases. Ms. Massion asked why the District is now insisting that people connect. Mr. Hawkes explained that every year the EID must make a conglomerate change application for the water rights, and knowing what the agreement requires, the Board was asked how they want to handle those agreements. Board Member Bradford explained that the idea behind the letter was to clean up the books and get people who agreed to join the system to honor their commitment.

With regard to the water use rate, Mr. Hawkes explained that the average home uses 5,000 gallons of water per month for indoor use at a cost of \$18.50, and there is an escalating fee schedule for additional use during the summer months. He reviewed the costs to hook up to the system, including the impact fee, connection fee, application fee and meter installation fee. He explained that the District will finance the connection fee at the current interest rate charged by the Utah Public Treasurer's Fund. Mr. Hawkes and the Board Members answered additional questions the Massions had about details of connecting to the system.

In terms of timing, Board Member Bradford stated that the Board has discussed allowing until at least the summer of 2016 for those with water leases to connect to the system.

3. Financial considerations and report

Mr. Hawkes reviewed the financial report, including the checking account and public treasury fund balances, receivables, and the State loan balances and due dates. He will prepare a report with expenses and revenues versus budget to put on the website. Steve Hook confirmed with Mr. Hawkes that there is sufficient cash to meet the upcoming debt payments.

Mr. Hawkes reported that he met with the State Auditor's Office, and new governmental guidelines require the District to post its expenses and income on the Utah transparency website. A few additional steps will be needed with the District's software to get the information in a form that can be published on that website.

Mr. Hawkes explained that he sent the first billing with the new software in January, and he encouraged people to go onto the customer portal to track their payment information. He noted that approximately 25 people made on-line payments for January's bill.

4. Contract with Salt Lake County to run 2015 election via mail-in-ballot

Mr. Hawkes reported that Salt Lake County has agreed to administer the election for the Emigration Improvement District using a mail-in ballot at a cost of \$1,594.60. He noted that the cost to the District for the mail-in ballot in 2013 was over \$6,000. Vice Chair Stevens confirmed with Mr. Cook that there is no downside to doing this.

MOTION: David Bradford made a motion to proceed with having the County run the election for 2015 with a mail-in ballot. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

Kathy Christensen asked when candidates need to register to be on the ballot. Mr. Hawkes replied that email candidate declarations start in June, and it appears the deadline is September 10. He will publish the information on the website. He explained that two trustee positions will be open this year. Vice Chair Stevens asked about the process for voting if there are a number of candidates. Mr. Cook offered to check with the County and confirm that at the next meeting.

5. Discuss future impact fee costs with addition of Upper Freeze Creek well

Mr. Hawkes recalled that the Trustees discussed adding the costs of the new well and storage building into the impact fee. The total expenditure for the project was a little over \$2 million, which would result in a total impact fee of \$4,000 per property. Board Member Bradford clarified that this would not affect anyone who is already paying standby fees or who is already connected to the system. Vice Chair Stevens noted that is one advantage of having established a standby relationship with the District.

Mr. Hawkes and the Board Members discussed details of how the impact fee is assessed for the benefit of the public.

6. Results of TMDL request for engineers' qualifications

Mr. Hawkes recalled that the District sent out a request for qualifications (RFQ) for engineers for a TMDL project that will help clean up Emigration Creek by assisting property owners with failing septic systems or septic systems that are too close to the Creek. Some grant funding is available, and the EID is working with the Division of Water Quality to see what funding may be available to this community for a potential project. Part of that process requires an engineering estimate of the project costs. Three firms contacted the District, but only one, Aqua Engineering, sent the packet of information requested in the RFQ. Brad Rasmussen with Aqua is well qualified for this type of work, and the State Division of Water Quality is very familiar with Aqua's work. The next thing the State wants to see is a 20-year master plan.

The Board Members provided details of the TMDL study for the benefit of the public.

Sam Plumb recalled that Aqua Engineers put together the qualifications for bidders, and they are the only ones who sent in a proposal. Board Member Bradford clarified that this is not a request for proposal; it is a request for a list of qualifications. Mr. Cook stated that he made substantive changes to the RFQ proposed by Aqua and handled the advertising through bid consolidators, so it was well distributed. He was surprised that they did not receive more interest. He clarified that this is just a request for a list of qualifications, not an actual construction bid, and they are not looking for the lowest bidder but are looking for someone who is actually qualified to do the work. He explained that this process is typical for professional services. They will put together bid criteria for the construction work and put that out to bid for the lowest responsible bidder.

In response to a question about what it would cost to run a sewer line down the Canyon, Mr. Barnett explained that Canyon residents would not be able to afford a sewer line, there is no place for the sewage to go once it gets to the mouth of the Canyon, and it would drop the water table in the Canyon and dry up the Creek. Board Member Bradford explained that the problems they are trying to solve are mostly related to homes that were originally built as summer homes, and the standards for septic systems are now much higher than they were when those homes were built. The idea of a small group collective system is to minimize the cost per household and act as a demonstration of how effective these small systems can be here and in other areas.

Mr. Cook noted that the respondents were required to include their billing rates, and the rates listed by Aqua are very low, between \$70 and \$120 per hour. He recommended that the EID accept the qualifications and billing rates provided by Aqua Engineers and move forward. He verified that the EID will not incur substantial expense before they know whether they will receive the grant money.

MOTION: David Bradford made a motion to enter into an agreement with Aqua Engineers based on the information submitted in response to the RFQ. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

7. Water report and well levels status

Mr. Barnett provided water usage graphs and explained that, due to the large number of new connections prior to 2009, he is basing the total water usage comparison on the years 2009 to present so the median will be more comparable. He also provided a graph showing the monthly per capita usage from 2001 forward. He noted that average per capita water usage is trending down. He explained that summer daily usage is about seven times the winter daily usage per connection, and if people would turn off their automatic sprinklers for one day, it would amount to a week of winter usage. He believed word has gotten out and that people are starting to cut down on their summer usage or turn off their sprinklers when it rains.

Mr. Hawkes reported that the Upper Freeze Creek well has been working very well with the soft start motor, and they currently run it every other day. He recalled that they have been running it during nighttime hours to save on the power rate. He reported that the well level in Upper Freeze Creek has remained consistent at about 903 feet. Well 2 is starting to recover somewhat but is still down to 93 feet. The telemetry for Well 1 is out, so they do not know the level for that well, but Brigham Fork Well level is at about 20 feet. He confirmed that they flush the Brigham Fork well about three times a week.

8. Discuss policy/procedures regarding community members contacting District consultants directly and incurring costs.

Mr. Hawkes explained that a number of individuals have contacted the District's professionals directly, which incurs costs for the District, and asked how the Board would like to proceed. Mr. Hook expressed concern that the District has absolutely no control over a situation like this and felt they should tell the professionals that they will not pay the bill if someone contacts them directly. Vice Chair Stevens suggested that they contact the District's consultants and let them know that the District will not pay if someone in the Canyon calls them and that they will have to collect from that individual directly. Board Member Bradford agreed that the District will only pay for services if they are forwarded through District management. Vice Chair Stevens requested that Mr. Hawkes notify the District's vendors and contractors of the new policy immediately and that the policy become effective immediately. Sam Plumb suggested that they take those telephone numbers off the website. Mr. Cook explained that sometimes it is more efficient for people to contact him directly. He can put that on his bills, and it would be up to the Board to ratify the charges or not. He was not sure they would want to set a policy that says they would never pay the bill.

MOTION: David Bradford made a motion to adopt a policy that the Emigration Improvement District will not pay the bill for its professional consultants, vendors, and contractors if they are contacted directly by an individual in the Canyon unless it is approved by the EID Board, and that policy is to take effect immediately, March 12, 2015. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

9. Neuschler (Sorpano Arch) residence – proposal to extend District system approximately 1,200 feet up Little Mountain

Mr. Hawkes recalled that someone came in about a year ago who purchased 56 acres up toward Little Mountain and wanted to connect to the system. The District's water line goes partially up the grade of Little Mountain, and Aqua Engineering did an analysis to be sure the line can be run all the way up. The owner proposes to pay the cost to extend the District's system approximately 1,200 feet and deed the line to the District. In speaking with Aqua Engineering, they explained that the District will not accept responsibility for a line unless it is an 8-inch line, and at the point of reduction to a lower diameter line, the District will no longer be responsible for it. Vice Chair Stevens asked if the District is obligated to provide water to a Canyon resident and whether they could refuse water to someone. Mr. Hawkes replied that the key is that the property owner will have to pay the cost to install the line. Board Member Bradford added that the choice here is whether to allow a line smaller than 8 inches to the point where it branches off to the home, and his position would be that they should not, because they need an 8-inch line to service fire hydrants. Mr. Barnett commented that another consideration is whether someone who may develop subsequently in that area and wants to hook into that line should reimburse this property owner for part of the cost. Mr. Cook suggested that they talk to the property owner about a pioneering agreement for the line in the event someone else wants to hook on later.

10. Website changes

Mr. Hawkes commented that the website is outdated and not as functional as it should be. The current domain would actually suit the community council better. He explained that the domain was established, and no one was doing anything with it, so the EID took it. After that they linked on different entities, such as Emigration Oaks. If the community council takes over the website, the EID could link their new website to the existing site. He recommended that they establish a new domain and redesign the website, update it regularly, and use it as a tool to get information to the public, because it is a cost-effective way to get information out to people. The Board Members agreed to gift the current domain to the community council and get the new website up and running.

11. Any items requested by visiting public

Mr. Hook asked if anything has happened with the State Auditor's Office in terms of the Mark Tracy letter. Mr. Hales replied that he has not heard anything about the investigation. Mr. Cook confirmed that the Auditor's Office will not disclose anything during an active investigation.

The regular meeting of the Emigration Improvement District adjourned at 9:05 p.m.