

EMIGRATION IMPROVEMENT DISTRICT

BOARD OF TRUSTEES SPECIAL WORK MEETING

WEDNESDAY, JANUARY 14, 2015

Parson, Kinghorn Harris
111 East Broadway, 11th Floor
Salt Lake City, UT 84111

Board Members in Attendance: Mike Hughes – Chair, David Bradford

Ex Officio: Eric Hawkes—Manager, Jeremy Cook—Legal Counsel, Fred Smolka—Former Manager

(Public - Gary Bowen)

Chair Hughes called the meeting to order at 3:05 p.m.

1. Discussion of Past Impact Fees and Hook-up Costs vs. Current Costs

Mr. Bradford started the meeting discussing the structure of the current impact fees. There has been some confusion on what portion of the monthly base fees or flat fees were an ongoing fee or term related fee. The census was the “fire hydrant fee” was an ongoing fee to cover the continued costs of operations and maintenance and the “standby fee”, “oaks base fee” and “main canyon base fee” were fees based upon the term of debt service or loans with the State. Mr. Hawkes stated the new software billing was set up with these fees already separated out for reporting purposes. There was discussion on what these fees should be labeled to clarify what these fees are being allocated towards. The agreement of the group was to call the formerly called “fire hydrant fee” a “water availability fee” and the “stand by/ base fee” be called “impact fees” to make the distinction between a term related fee and an ongoing fee.

Mr. Bradford relayed to the group the list of connection costs established by the District, distributed to the group in an email by Mr. Hawkes. The current method of charging the impact fee is broken down into \$7500.00 being paid for over time with the monthly “standby & base fees”. At connection a property owner would then pay the \$750.00 application fee and the remainder of the impact fee of \$5500.00. The District will finance the \$5500.00 to help dampen the cost to connect to the system. The current total impact fee is \$13750.00 to connect onto the District water system. Mr. Bradford questioned if this impact fee should be one fee and not split into different groups, but recognized as one cost. Mr. Smolka expressed the concern to go back and make the changes would bring up a lot of issues with past agreements. The idea would be set a standard and move forward and keep previous agreements in place.

Mr. Hughes and Mr. Bradford agreed the current impact fee does not reflect the addition of the UFC well recently completed in 2014. There was discussion among the group to establish a new impact fee to include the addition of the UFC Well and storage facility. Mr. Hawkes will calculate what the cost by taking the actual cost of project and divide it by the number of “water availability” accounts within the area of the District’s system and provide that information at the next regularly held meeting.

2. Discussion of Spring Glen Community, fire hydrant fees, stand-by fees and hook up costs

The Spring Glen Community comprises of 17 properties, one of those properties is a vacant lot. Of the 17 properties, three are connected to the District's water system and six more are on a "standby" agreement, with a remaining eight paying the "water availability" fee of \$15 per/mo. There was discussion regarding the condition of the current well and tank and how it is believed there is only a few more years left of the debt service to the system, but there are no funds for future major repairs etc... The Trustees discussed what the District may be able to offer the Spring Glen Water Company "SGWC" as a proposal for them to join the EID for culinary and use their well for irrigation purposes. There was discussion on how to keep the connection costs to a minimum or have the District help finance expenses to avoid large up-front owner expenses. There was discussion on leveraging the equity of the Spring Glen system and apply a credit towards the impact fee and the District then manage their system. Dave Bradford agreed to meet with members of the Spring Glen Community to see what approach or agreement could be made, as it is an all or nothing deal, for the Spring Glen Community.

Minutes Approved

Next meeting Thursday, February 12, 2015, 7:00 pm at the Fire Station 5025 Emigration Canyon