

BOARD OF TRUSTEES MEETING MINUTES

February 27, 2023

** District Office**

5:00 p.m.

I. CALL TO ORDER

The February 27, 2023, Board of Trustees meeting was called to order by Chair Jan Wilking at 5:15 p.m. Other Board members in attendance were Mary Ann Pack, Robert Richer, Dick Pick, and Ryan Dickey. Staff in attendance were Mike Luers, Dan Olson, Chad Burrell, Kevin Berkley, Bryan Steele, Cory Shorkey, and Kim Dudley. Also, in attendance were Jeremy Cook, Cohne/Kinghorn, and Craig Ashcroft, Carollo Engineers.

II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for January 23, 2023
- B. Final Project Approval
 - 1. The Ridge at Canyons Village
 - 2. Moonshadow
 - 3. Promontory – Elk Ridge Bluffs
 - 4. The Gallery Subdivision
- C. Escrow Fund Reduction Approval
 - 1. The Ridge at Canyons Village – Retain 10%
 - 2. Moonshadow – Retain 10%
 - 3. Promontory – Elk Ridge Bluffs – Retain 10%
 - 4. The Gallery Subdivision – Retain 10%

Ms. Pack made the motion to approve the Consent Agenda, Mr. Dickey seconded the motion carried with Mr. Pick, Mr. Richer, Mr. Dickey, Ms. Pack, and Mr. Wilking voting in the affirmative.

III. PUBLIC INPUT – There was no public input

IV. APPROVAL OF EXPENDITURES – Bills in the Amount of \$1,413,201.35 – Mr. Luers stated that we have Expenditures in the amount of \$1,413,201.35. He said there wasn't anything unusual and asked the Board if they had any questions. They did not.

Ms. Pack made the motion to approve the Expenditures, Mr. Dickey seconded the motion carried with Mr. Richer, Ms. Pack, Mr. Dickey, Mr. Pick, and Mr. Wilking voting in the affirmative.

V. SERVICE AWARDS – Kim Dudley – 15 years

Mr. Wilking congratulated Ms. Dudley on her service award for 15 years and presented her with a certificate and award. He said that we are so fortunate to have employees like you for your dedication and longevity. What a great organization.

Mr. Luers said that Ms. Dudley started at the front desk and over the last 15 years has learned a tremendous amount about the District. She is a great asset and has done a wonderful job. We really appreciate it.

Mr. Steele stated Ms. Dudley is the glue that holds us together she feeds the fish, everyone laughed. He resumed by saying she helps with the elections, permits, and impact fees. She does a great job, and we are lucky to have her.

Ms. Dudley thanked the Board and staff stating that this is a great place to work, it truly is. She thanked the District for having her as an employee.

The Board congratulated Ms. Dudley on her 15 years of service.

VI. SUBDIVISION PROJECTS

A. Hot Creek Restaurant (Twisted Branch Road) Approved March 2020 – 0 Additional REs
A Line Extension Agreement has been filed for the Hot Creek Restaurant project. This will replace a previously approved Line Extension Agreement. The new project is being pursued by a different applicant; the design has not changed.

Ms. Pack made the motion to approve the Subdivision Projects Hot Creek Restaurant (Twisted Branch Road) Approved March 2020 – 0 Additional REs, Mr. Dickey seconded the motion carried with Ms. Pack, Mr. Richer, Mr. Pick, Mr. Dickey, and Mr. Wilking voting in the affirmative.

B. Homestake Apartments – 67 REs– The applicant has filed a Line Extension Agreement to extend wastewater main lines within the current Recycle Utah parcel (planned for redevelopment). The proposed project will be served by a gravity mainline, which will connect to the existing main line at Woodbine Way.

Ms. Pack made the motion to approve the Subdivision Projects Homestake Apartments – 67 REs, Mr. Dickey seconded the motion carried with Mr. Richer, Ms. Pack, Mr. Pick, Mr. Dickey, and Mr. Wilking voting in the affirmative.

Estimated LEA REs Year to Date: # Above Splitter 0; # ECWRF 0; # SCWRF 0; Total 0
Proposed this Meeting: # Above Splitter 0; # ECWRF 0; # SCWRF 67; Total 67

VII. DISTRICT MANAGER

A. Discussion Items

1. Impact Fees and Affordable Housing – Mr. Luers pointed out there was a request by a couple board members to add a discussion item regarding Impact Fees and Affordable Housing.

Mr. Richer disclosed for the record he is the President of the Board of Trustee's Mountainlands Community Housing, an organization that would benefit by this potential change. However, it is a non-profit and he receives no enumeration from them.

Mr. Wilking asked Mr. Dickey to start the discussion. Mr. Dickey began by saying that this is not the first time this issue has been brought up. He said he appreciated the staff for putting together the information provided in the packet. We can talk about the need for affordable housing and how it has become exponentially more difficult with the growth we've been seeing, and it's created a big problem. In Utah we lack a lot of the tools that other places have to incentivize and develop affordable housing. In Colorado and other resort towns which are home rule states, any power that the legislature hasn't taken away is granted to the city and they are able to address affordable housing at its source. At Park City Municipal Corporation, we have a scoring criterion to see if the project qualifies for a fee waiver. The fee waivers can waive building permit fees and water fees for affordable housing only. The sewer is in the District and we are not able to waive any of the Impact Fees. In Utah we are looking for every source we can get to develop affordable housing. Mr. Dickey stated that he is looking to see if we are open to discussing waiving any or all the Impact Fees for affordable housing.

Mr. Richer stated that when he and Mr. Dickey talked to Mr. Luers, they were also asking to have an open discussion. He said that he didn't believe that we would be in a place to decide today. He also stated that he concurs with Mr. Dickey and appreciates the staff for brainstorming and creating the information provided and raising 18 points to consider. Mr. Richer said that he and Mr. Dickey are looking for a test policy to see how it works. He stated that by restricting the policy to projects that the city initiates, or non-profits initiate it would take away a lot of concerns from the list of information provided. Also, in the test policy we are not looking for 100% to be waived but looking for some relief.

Mr. Richer and Mr. Dickey consider that if we waive any Impact Fees it needs to be spread out amongst all User Fees and we don't want to put the District in any financial shortfall.

Mr. Wilking agreed to have a discussion on the affordable housing issue. He stated that he would be interested in seeing the scoring sheet and the criteria that the city must see for a project to qualify for some type of benefit from the public. Mr. Wilking said his biggest issue is having to pick up the difference of what we discount from the User Fees. If we could pay for this by using the developer Impact Fees, he would view it very differently.

Ms. Pack asked why we had to make up the difference from User Fees instead of Impact Fees. She asked is it in the Legislature. Mr. Luers said he would let Mr. Cook answer, but the bottom line is the State Legislature passed Legislation that you can't charge someone a higher Impact Fee and someone else a lower Impact Fee and pay it back with Impact Fees. Mr. Cook replied saying the Impact Fees need to be based on your Impact Fee Analysis. If you waive an Impact Fee, you need to pick it up from another source of income. Unfortunately for the sewer District that is User Fees.

Mr. Pick included that he'd like to carry on with further discussion. Basically, we have the ECWRF project coming up and it's obviously a huge project for us. Our income is either through Impact Fees or User Fees.

2. ECWRF Project – Pre-purchasing Equipment – Mr. Luers presented a slide presentation showing reasons needed to Pre-purchase Equipment as shown below:

**East Canyon Water Reclamation Facility
(Existing Facility)**

- Operational - 2003
- Capacity – 5.0 MGD (monthly max flow)
- Treatment Type – Advanced
- Issues – Equipment is aging

Mr. Luers stated the ECWRF was operational in 2003 and we are having issues with equipment that is aging. In 2022 we had an unexpected repair of a 20-year-old Aerator that cost \$100,000.

**East Canyon Water Reclamation Facility
Expansion Project**

Equipment Purchase Options:

Option 1: Equipment purchased as part of the project

Option 2: Equipment purchased in advance (pre-purchase) to replace aging equipment in the event the project is delayed. If the project is not delayed, equipment will be installed as part of the project.

Notes:

1. The lead time for delivery of equipment can be as much as 1 year.
2. Pre-purchased equipment does not increase the cost of the project.

Items for Pre-purchase

Headworks Screens including sluiceway	\$450,000
UV Disinfection including new transformers	\$530,000
VFD's for Temp IPS	\$80,000
<u>Total Estimate Equipment Cost</u> (approximately 10% to be paid in 2023)	~\$1,060,000

Mr. Luers described the Equipment Purchase Options 1 and 2 and gave details of each option.

Mr. Luers said that we want to buy equipment ahead of time Pre-Purchase and indicated that we could manage the 10% due in 2023, in the 2023 Budget. We would approve an additional 90% in the 2024 Budget. He expressed that we wanted to get approval from the Board but don't need to take any action on this item.

The Board agreed to proceed.

3. 2022 Asset Management Report – Mr. Luers gave a brief description of the 2022 Asset Management Report stating this is essentially our report card. The Board of Trustees sets a level of service to our customers, and we do what it takes to deliver that service. Mr. Luers is happy to report that we have hit our targets very well. We haven't had any overflows, capacity is not a problem, conditions are great, and our customer satisfaction is at 98%.

- B. Information Items
 - 1. Financial Statement
 - 2. Impact Fee Report
 - 3. 2023 Adopted Budget / 2022 Performance Report

Mr. Luers let the Board know the 2023 Adopted Budget / 2022 Performance Report is a reference item for them as needed.

VIII. FUTURE AGENDA ITEMS

- A. Projects
- B. Operations
- C. Finance
- D. Governmental Matters

Ms. Pack made the motion to adjourn to Closed Session for personal issues @ 6:03 p.m., Mr. Richer seconded the motion carried with Mr. Pick, Mr. Dickey, Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.

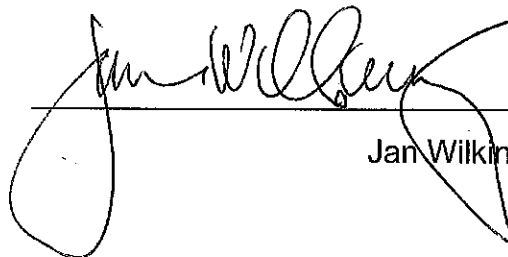
IV. CLOSED SESSION – Discuss the character, professional competence or physical or mental health of an individual

Ms. Pack made the motion to reconvene to Open Session @ 6:20 p.m., Mr. Richer seconded the motion carried with Mr. Dickey, Mr. Pick, Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.

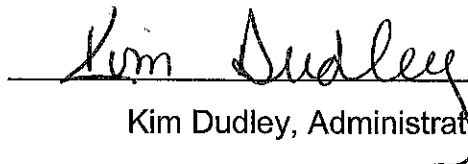
X. ADJOURN

Ms. Pack made the motion to adjourn at 6:25 p.m., Mr. Richer seconded the motion carried with Mr. Dickey, Mr. Pick, Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.





Jan Wilking, Chairman



Kim Dudley, Administrative Specialist