JANUARY 28, 2019

PUBLIC MEETING

6PM

BOARD OF TRUSTEES
SUMMIT COUNTY
SERVICE AREA #3

629 Parkway Drive   Park City, UT 84098
# Summit County Service Area #3

**January 28, 2019**  
**Public Meeting**  
6PM  
629 E. Parkway Drive, Suite 1, Park City, UT 84098  
*** Please turn off all cell phones ***

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| 1. Welcome and call meeting to order  
   a. Review of January 7 and January 14 meeting minutes  
   b. Approval of minutes | 6:00 – 6:15 | Suzanne Carpenter |
| 2. Administrative & Financial:  
   a. Update on current projects and staff reports  
   b. Revised Board Calendar  
   c. Timing of strategic planning meeting  
   d. Lease renewal  
   e. Capstone internship | 6:15-6:30 | Marla |
| 3. Water:  
   a. 2019 Capital project review  
   b. Filtration project and RFP review  
   c. Establish timeline for water filtration project and board sponsorship and support from HAL  
   d. 2019 fire flow project review, funding and RFP review  
   e. Establish timeline for fire flow project and funding  
   f. Lot SL-I-3-1 unpaid standby fees | 6:30-7:30 | Marla, Chris |
| 4. Roads and Trails:  
   a. 2019 Roads Capital Project recommendation  
   b. 2019 RFP review  
   c. 3-year capital project development presentation and discussion  
   d. Franchise fee | 7:30-8:00 | Chris and Marla |
| 5. Public Comment – limited to 3 minutes each | 8:00-8:15 | Public |
| 6. Voting:  
   a. Water Filtration RFP Approval  
   b. Fire flow project approval  
   c. Fire flow RFP approval  
   d. Capital funding approval for water projects  
   e. Road Capital project approval and RFP approval  
   f. Standby fees  
   g. Invoice approval  
   h. Capstone internship approval | 8:15 – 8:30 | Board |
| 7. Adjournment | 8:30 | Suzanne |

* Supporting documents for review  
Minutes, agenda and policies available at: [http://summitcounty.org/923/Documents](http://summitcounty.org/923/Documents)
WELCOME and CALL MEETING TO ORDER
Summit County Service Area #3  
January 14, 2019 6pm  
PENDING MEETING MINUTES  
BOARD OF TRUSTEES MEETING  
629 E. Parkway Drive, Suite 1,  
Park City UT 84098

BOARD OF TRUSTEES  
Suzanne Carpenter – Chairman  
Vince Pao-Borjigin – Vice Chairman  
Larry Finch – Clerk  
Robert Olson - Treasurer  
Eileen Galoostian  
Peter Keblish  
Michael Montgomery  

In Attendance (Board): Suzanne Carpenter-Chair; Vince Pao-Borjigin-Vice Chairman; Bob Olson-Treasurer; Larry Finch-Clerk.

Not in Attendance (Board): Mike Montgomery; Peter Keblish.

Electronically: Eileen Galoostian connected at 8:15pm.

In Attendance (Staff/Contractors): Marla Howard (GM); Chris Bullock (Roads Manager and Water Operator); Eileen Haynes (Assistant Clerk); Nathan Bracken (Legal).

Meeting Attendees: Linda Kelsch (Lot 30)

1. Welcome and call meeting to order  
a. Review of January 7, 2019 meeting minutes: Bob brought his corrections to Eileen H. just prior to the meeting. Larry motioned to defer the review and approval of the January 7, 2019 meeting minutes until the Board's next meeting on January 28th. Bob seconded the motion and support was unanimous.
b. Approval of minutes - deferred.

2. Administrative:  
a. Review of project list and prioritization:  
   ▪ Marla reviewed three water users, one of whom is facing a shut-off if he doesn’t agree to participate in a repayment plan. He claimed his overages are due to a leak. Marla reiterated what the fed-ex letter stated which informed him he needs present proof of such repairs by the end of the month and apply for an adjustment.  
   ▪ Bob asked for an update on Lot SL-H-484-A. Chris replied, Boerboom was not able to provide evidence to support the claim for work performed deferring to their employee who performed the work on his own time for a cash payment. The laborer has not called us back and so it hasn’t been resolved. Chris will continue to reach out.  
   ▪ Marla shared she has selected Greg Ferrari, Surveyor LLC, because he came recommended and offered the lowest price. Bob has met with him to discuss the specific needs of the Service Area.  
   ▪ Marla stated, Chris has been photographing and documenting snow removal violations.  
   ▪ Marla stated, we received our notice for our Annual Water Plan which Nathan reviewed and requested we perform a detailed reconciliation to account for withdrawn exchanges or abandoned points of diversion that should no longer be listed as active in our water plan because these lots can now be serviced by our water line. He is hopeful the State will correct this administratively without requiring a Change Application. Nathan stated, it may take a
year’s time to complete if a Change Application is required. Nathan was directed to complete this task.

When Aaron Lewis deeded over the acre-feet 50 years ago, he retained six acre-feet (possibly for the Echo Park school lot) which the Service Area has been reporting in their total count. We don’t know if his estate ever used those rights. If you don’t use it for seven years it is considered abandoned. Chris suggested, could you argue that since we counted the acre-feet all this time, it was never abandoned? Nathan will investigate this line of argument. Suzanne will get Chris a Red Hawk lot number to approach for purchasing a water right.

b. **Capstone or Class Workshop Project review:** Marla reported on the meeting with the Chair of the University of Utah’s Metropolitan Planning Department. The Chair thinks our project is sufficiently substantive to attract a Master’s candidate. She advised we offer a stipend. Marla will ask the Professor how many hours our project will take to complete.

c. **Newsletter proposed content, schedule, and Board review process:** Vince suggested it be informative and positive and not just corrective. The board directed staff to create a quarterly standalone newsletter (January, April, June, October) covering a diverse range of topics inclusive of roads, water, trails as well as: our recent accomplishments or year-in-review (January), flooding (April), fireworks (June), snow and freeze issues (October), messages from the Chair and General Manager and our future plans. Suzanne summarized, the board has directed staff to move forward with graphics using Vince’s graphics contact and the Board contact for quality control is Eileen G.

3. **Financial:**
   a. **Auditor Engagement letter:** The Board agreed to engage Jon Haderlie, CPA, of Larson & Company, as auditor.
   b. **Preliminary 2018 Financial Statement:**
      Marla reviewed the differences between governmental and corporate accounting namely that in government everything goes through your Profit and Loss Statement including your capital in order to ensure your expenditures and depreciation stay within your tax dollars. Marla stated, we are in good shape.
      Suzanne asked, how does capital come out of the financials? Marla replied, for the general fund it does. Everything gets charged to Operations. It is appropriate to include depreciation and interest expense for our Bond because it is part of our cost. As part of the financial analysis it is appropriate to include depreciation as well as interest expense for our bond because it is part of the cost to put our system in place.

4. **Water:**
   a. **Enterprise Fund financial review:** Larry stated, some of our larger water users are staggering. Marla stated, we need to renegotiate our contract with Little Miners Montessori. The Contracts Binder is misplaced. Larry will check at home.
      Suzanne asked the Board to consider: how much are we pumping? How much are we receiving in Revenue? What are we billing? How much does it cost to produce? Are we operating at a profit or loss? This will help us direct the Rate Study. She observed, there are some people who are excess users and she doesn’t think we are charging enough to influence their behavior. Vince replied, we shouldn’t dictate what a user should or shouldn’t use of their own property or their ability to use water. He wants our consumers to exercise their own prerogative to be conservationist or not. Suzanne stated, we have 5-10 homes who are using double their water rights. Suzanne and Larry stated, it affects our concurrency. Vince stated, we should make it
very clear in our policy, if that’s the case, you can only use up to “X” amount; if we are allowing them to go over and they pay a fee, he doesn’t feel we should cap that.

Suzanne stated, we deliver 26 million gallons of water. Suzanne expressed concern that people who use less water are paying more than they should. They are paying $81 per month regardless of whether they use 20k gallons per month. Vince replied, they are paying $81 to get water delivered and our customers can use their full allotment up to 20k gallons. Suzanne replied, she agrees. Larry stated, when someone is using double their allotment we are not charging enough. As we do capital investment, we need to be on the same page. Vince observed, the overage users are paying 3 times as much for using double the water.

Suzanne led a discussion and presentation on the Financial Analysis. The Board determined we have a $4 shortfall per 1,000 gallons of delivered water. It costs $13.30 to deliver 1,000 gallons of water. As we invest and kick off new projects the capital the cost of water goes up. Suzanne agreed, stating improving capital is going to increase costs to deliver water. Chris stated, when the Division of Drinking Water came to discuss the Westwood water line in 2010, their analysis showed we are living on overages. Larry expressed concern, if the overage income goes away, we will be short income.

Mountain Regional charges $60 per 5k gallons of water. Suzanne asked, why should we charge a user $81 when they only use 2k gallons? We can consider tiers of use such as 5k or 10k gallons per month. Larry stated, he feels he is subsidizing others. He has a conservation philosophy and so does the State. When we did the last rate study the engineer told us we have to build in conservation. We have 26 users that are using a million gallons of water. Suzanne proposed, we allow people to use the water they are allocated and not penalize them. For those that go over, it should be up to their yearly allocation. Vince stated, he wants to consider total use annually not per month.

Suzanne stated, it will be good to compare the Service Area to some of the other small water companies in the area.

b. Extension of Cottonwood water line: Bob stated, we have decided at this time that the extension is not feasible, and Marla will write a letter to the property owner of Lot SL-C-143.

c. Additional Well location, timing: Suzanne led a discussion about potential locations for our future new well and asked the board to consider the east side of Silver Creek Road. Larry pointed out, for every foot in elevation we must dig a foot deeper. Chris stated, the two major considerations for choosing a new location is the hydrology of a site as well as its’ elevation. We need to get higher to build up pressure. Vince stated, otherwise we need pumps to get the pressure and they are subject to power outages. Larry stated, we own property at the Silver Bullet. Suzanne replied, we don’t want to put a well there. We also own Lewis Park. Vince suggested, a good alternative site is at the location of our massive storage tank on Highfield Rd. Chris stated, he prefers we double the storage capacity at Highfield because the space is available there. Suzanne suggested we speak to neighbors of Lewis Park to see how deep their wells go. Chris advised, that a municipal water goes deeper than residential. The top of Cottonwood Trail is higher than the Highfield tank. We need to get input. Suzanne stated, it is in our water master plan to build a new well. Larry stated, is 4-5 years out and we need to get through the Arsenic decisions first. Suzanne stated, an appropriate option is to increase the capacity of Greenfield before building another well. Vince stated, Greenfield has a significant capacity. Larry stated, the cost of a new well will be $700k to $1million.

5. Roads, Trails and Current projects:
   a. Snowplow update: Chris is proceeding to document violations.
b. **Road, Trails, Projects update:** Chris stated, he put salt down once last week in response to a jackknifed truck at the top of Silver Creek Rd. Vince observed, some communities charge a permit fee for heavy-weight trucks. We didn't capture 300 truckloads of fill. Nathan replied, it is already built into our fees. Chris replied, only if we capture those fees. Those 300 truckloads were done under an Agricultural permit. Nathan stated, some Ag projects are exempt. Your policy allows a fee if you have a building permit for a project that costs over $50k. Anytime fees are increased, added or changed you must do a public hearing. We should include this proposal and do it all at one time.

Nathan stated, a County permit triggers our impact fee. Vince stated, for the past month or so trees have been trucked out which are damaging our roads. Can we have yearly impact fees with commercial properties? Nathan advised, you can't develop a fee for a specific type of customer; some activities will be exempt under state law. Nathan stated, your current policy takes Commercial uses on a case-by-case basis. He expects there will be different rates based upon to each Commercial type. He is concerned there is language in the missing Commercial Contracts concerning Roads.

Marla and Chris will prepare a proposal that analyses the types of impacts and enforcement strategies such as an impact fee and a deposit. They will meet with the County on Friday.

Bob stated, he met with a representative of five residents who are complaining they are not receiving equal services. They are on the dirt section of Wasatch Way past Redden Rd. Plowing and road repair services have been limited. Chris replied, they received mag chloride applied to dirt section and a built-up lime roadbase to the turn. Chris will revisit the snow removal.

6. **Election of New Officers**

a. **Nominations for Chair and Vice-Chair (one-year terms):** At her request, Marla telephoned Eileen to include her in the election. Nathan stated, Chair and Vice-Chair are open, and they are one-year terms. Larry will complete his 2-year term as Clerk and is not available for nomination as Chair or Vice-Chair. Bob proposed that all Board positions be 2-year terms, particularly for consistency with County contacts. Vince replied, he wants staff to maintain those contacts and sustain the desired continuity.

Vince stated, whoever the next Chair is needs to continue the offloading of day-to-day decisions to Staff and focus on strategic initiatives. He can commit to once a month but three meetings each month for a volunteer board is excessive. He wants a Board Chair in whom we can be confident will lead us in the right direction. If he became Chair, he would rely upon staff reports.

Nathan will double-check about board attendance in the draft Board Dispute Resolution.

Nathan stated, we need to do a better job with delegating. Eileen stated, she supports giving each Board Member an assigned area of responsibility suggesting this person may feel more responsibility to participate. Suzanne and Bob agree.

Larry nominated Vince for the position of Chair which Suzanne seconded. Except for Vince' abstention, the nomination was unanimously approved. Larry nominated Suzanne for the position of Vice-Chair which Vince seconded. Support for this nomination was unanimous.

b. **Nominations for Clerk and Treasurer (two-year terms):** The current Clerk and Treasurer will finish their current term.

7. **Public Comment** – limited to 3 minutes each
Linda Kelsch (Lot 30) said she is really pleased with the direction taken by the Board and their increased professionalism. She offered her appreciation for the board’s hard work, oversight and vision in creating a smooth process.

Larry motioned to move out of Public Comment and into Voting, Bob seconded the motion which passed unanimously.

8. **Voting:**
   a. **Update priority list as needed:** *no items*
   b. **Capital approval for water projects:** *no items*
   c. **Board Officer election (Resolution 2019-01):** Except for Vince’s abstention, he was unanimously elected the 2019 SCSA3 Board Chair. The Board unanimously elected Suzanne Carpenter as Vice-Chair.
   d. **Other items discussed during meeting:**
      1) Larry motioned to retain Larson as the Service Area Auditor for the 2018 Fiscal Audit which Suzanne seconded. Support for this motion was unanimous.
      2) Larry motion for approval of the Smith Hartvigsen legal invoice of $10,818.50. Suzanne seconded the motion. Except for Eileen’s abstention, approval was unanimous.

9. **Adjournment**

   *Larry motioned to adjourn which Bob seconded. The motion was approved unanimously at 8:34pm.*
SUMMIT COUNTY SERVICE AREA #3
January 7, 2019
PENDING MEETING MINUTES
BOARD OF TRUSTEES MEETING
629 E. Parkway Drive, Suite 1,
Park City UT 84098

BOARD OF TRUSTEES
Suzanne Carpenter – Chairman
Vince Pao-Borjigin – Vice Chairman
Larry Finch – Clerk
Robert Olson - Treasurer

Eileen Galoostian
Peter Keblish
Michael Montgomery

In Attendance (Board): Suzanne Carpenter-Chair; Vince Pao-Borjigin-Vice Chairman; Bob Olson-Treasurer; Larry Finch-Clerk; Peter Keblish.

Not in Attendance (Board): Mike Montgomery; Eileen Galoostian

Electronically: none

In Attendance (Staff/Contractors): Marla Howard (GM); Chris Bullock (Roads Manager and Water Operator); Eileen Haynes (Assistant Clerk); Nathan Bracken (Legal).

Meeting Attendees: Gary and Linda Kelsch (Lot 30).

1. Welcome and call meeting to order: Suzanne called the meeting to order at 6:11pm with a quorum present.
   a. Review of December 17 meeting minutes: Larry, Suzanne and Bob made several corrections.
   b. Approval of minutes: Larry motioned to approve the minutes as amended with Bob offering his second. The motion carried unanimously.

2. Administrative:
   a. Review of project list and prioritization: Marla stated she is wrapping up the financials and has completed the treasurer’s filing of the PTIFand Wells Fargo account balances and will be completing additional filings in the next few weeks such as the water filing. She is capturing information from 2018 invoices and income and observed the need to get numbers for Class B road funds. The Board needs to approve Larsen and Company as our auditors. Larry asked Marla to put on agenda for next meeting.

   Marla stated she is creating RFP’s, which the Board will review, for dissemination for Board-identified Capital Projects including Wasatch Way, Arsenic study, Land Surveys to complete Easements trail for Lots 314 and 315 on Redden Road; Eileen G has identified some ROW violations. Larry requested that Mike or Eileen participate in Lot 117 trail property dedication discussion.

   Vince stated, there are 3 very obvious on Wasatch Way pushing snow across the road and stacking snow 4-5 feet deep on the trail. Suzanne stated, she has seen some improvement of the violations. Marla stated, Eileen has reported her concern that Westwood and Silver Creek trails may be damaged due to plowing by volunteers. Suzanne, asked what damage is happening to trail? Bob replied, none. Vince and Larry agreed, it’s an improvement.
Suzanne stated, she has observed Wolf trucks sliding off the road and causing damage. Larry said, if there is damage to the road we should talk to Wolf. These things are going to happen, and we can mitigate them in the spring. Vince said, part of it is our terrain. Suzanne stated, the purpose of the Capstone Project is to identify potential solutions to these problem areas.

Vince requested an update on snow violations and the follow-up plan to ensure corrections. Marla replied, we will submit a detailed letter along with photographs of the violations to the violators with a personalized letter requesting a correction and advising that violators will be referred to the County for enforcement action because at this time, we have no “teeth”. Nathan responded, the Service Area has limited authority to enforce fines, but may institute fees.

Nathan distributed a Draft Service Area #3 Policy, which lays out the process and the authority, in November. Marla replied, one violator did about $2k damage and we need to have the ability to get reimbursed for that. Vince stated, we are going to bill you and the county will cite you. Vince stated, he is hopeful we can get into a good newsletter routine educating our homeowners going forward. Vince asked Marla to verify that he is receiving Trello access to SCSA3 project boards.

b. 2019 Calendar, deliverables and board member sponsorship: Suzanne proposed the following discussion items for 2019 Board Meetings:
   - January 7 (Water)
   - January 14 (Regular Board Meeting)
   - January 28 (RFP Review)
   - February 4 (Policy Review and Updates)
   - February 25 (Regular Board Meeting)
   - March 4 (Prototype Water Filtration review and cost estimates)
   - March 25 (Regular Board Meeting)
   - April 15 (Community Meeting re: landscaping for residential fire prevention)
   - April 22 (Regular Board Meeting)
   - May 6 (Capstone Project Presentation)
   - May 20 (Regular Board Meeting)
   - June 3 (Road, Trails and New Construction)
   - June 17 (Regular Board Meeting)
   - July 15 (Regular Board Meeting)
   - August 5 (?)
   - August 19: (Regular Board Meeting)

Nathan stated, the revised Roads Policy institutes a fee which will need a Public Hearing prior to adoption. They envision staff will create and develop the subject contents, circulate it among the board for comments and present a final document for voting at the Board Meeting. Vince reminded the Board we have a staff template for reports.

C. GM contract review and renewal: Discussion tabled until closed session which will occur at the end of the public portion of the Board Meeting today.

3. Request for Relief
a. **Water leak and financial hardship:** For the *water leak applicant*, Marla recommended about $3,500 in forgiveness due diminishing water use and making necessary repairs. The *financial hardship applicant, due to extreme medical bills*, is currently paying an extra $19 per month and would like to pay less. They have been delinquent 2-3 years. Marla will review to see if they were liened. Consensus was reached to accept the $19 repayment plan while the Service Area will also not charge any interest or fees on the overdue amount.

b. **Habitually late customer:** Their home went up for tax auction in May 2018 along with our water lien. They were able to recover their property and pay our charges by securing a home loan. They are 5-6 months in arrears totaling about $900. The Board determined the home owner must bring their account current within 90 days or their water will shut-off.

4. **Conditional Use Permit Review:** Marla stated, the homeowners have determined they will continue to use their well and not connect to the Service Area even though they are adjacent to our water line. The CUP seeks approval for an indoor-soccer field and 2 lock-out apartments. At this time, they are very close to using all of their water share allocation for their current use. After some discussion, the Board determined they would not support construction until an additional Water Share allocation of .9-acre-feet has been acquired and dedicated. We don’t want to risk that a property owner will acquire a water right and turnaround and convey it to someone else. Bob proposed to speak to the property owners to direct them to others who have an extra water share.

5. **Water:**

   a. **Capital review and approval for water projects from 2018 water plan:** Bob stated, he is extremely disappointed with HAL study on Cottonwood Trail because they exceeded their Scope of Work. Cottonwood trail is a lower priority compared to other needs in SCE. He is also concerned about giving the impression he is seeking to personally benefit from any work authorized by the Board. The HAL cost is $2500. The booster station is estimated to cost $200k.

   Chris stated, he is concerned about the neighboring tree farm operation whose heavy equipment could spark a wildfire. Additionally, a dead-end line is not good for drinking water. Vince stated, we don’t have the budget to extend this to the top of Cottonwood Trail. Marla was directed to send a letter stating the project is not feasible at this time.

   b. **Establish timeline for water filtration project and board sponsorship and support from HAL:** Larry recommended Marla make an appointment with HAL to develop a plan to get the work done. Suzanne asked, do we want HAL to do the arsenic treatment plant? Larry suggested HAL oversee the SOW and send out the RFP; Nathan stated HAL is a fantastic engineering company, but he doesn’t know if HAL does drinking water. Marla will ask for recommendations. Vince agreed, including HAL more will give them a greater understanding of our water system. Larry stated, he wants a supervisory engineer on the project.

   c. **Water Communication:** Marla stated, we are refunding deposits to homeowners whom we have ensured our meeting our meter standards. Larry stated, this is under your authority. He and Bob will sign the checks.

6. **Roads, Trails and Current projects:**

   a. **Initiating Capstone project for transportation planning, trails, roads, parks and mail delivery along with board participation:** Marla stated, she and Chris met with Eileen G to discuss the Scope of
Work for our future phone meeting with the Urban Planning Professor of University of Utah. Suzanne invited the Board to make recommendations for items they would like the students to consider like pocket parks, dog parks, civic center, trails. Marla would like them to create community maps. Larry, Vince and Bob are against a dog park, not wanting the expense or maintenance it would require. Vince would like to be more open-ended and see what the students come up with.

Bob stated, for Chris’ information the speed bump at the bottom of his property is 2/3 destroyed and he thinks more speed bumps have been damaged along SCE roads due to snow plows. Larry suggested Chris remove the speed bumps in fall and replace them in the spring. Chris stated, speed ‘bumps’ cost about $1,800 while the speed ‘humps’ are a little bit more and the ‘raised’ crosswalks cost approximately $3,500. Not counting damage by snowplows, the humps/bumps have a 5-year lifespan. Vince suggested, with labor costs added, we should begin to consider “stamped-in” speed bumps.

Bob stated, we have had quite a few people slide off Silver Creek Road. Bob requested increased sand application on Silver Creek Rd. Suzanne stated, the snowplow drivers are turning the sand distribution off when plowing. It is only on in the intersections, the flats and the steep sections. Also, they are not applying sufficient sand. Chris stated, this is a safety issue of which he will make them aware as well as encourage more generous sand application. Chris stated, he has salt and it is effective at cutting the ice almost instantly while the sand must be applied multiple times. The sand builds up offering the benefit of significant traction, much more than salt, but the Service Area needs to sweep the roads in the spring. We have avoided regular salt applications because of the negative effects on wetlands and our unfinished roads. Salt destroys roadbase. Chris will consider applying salt more often.

Vince stated, let’s do a public information reminder about tires, snow chains. Should we look at other types of communication?

b. Easement Survey Bids: Marla stated, we want to survey Redden and Westwood Rds. We have gone out for bids and the staff seeks the Boards permission to proceed. Larry and Vince confirmed they are in Marla’s spending authority. Bob and Larry directed Marla to accept the lowest qualified bid.

7. Election of New Officers
a. Nominations for Chair and Vice Chair (one-year terms): Nathan stated his support to table the nominations because of the absence of 3 board members and this isn’t your regularly scheduled meeting but a special meeting. Bob made a motion to table the Election which Vince seconded. Support for this motion was unanimous.

b. Nominations for Clerk and Treasurer (two-year terms): also tabled as above.

Larry motioned to move into Public Comment. Vince seconded this motion and support was unanimous.

8. Public Comment – limited to 3 minutes each
Linda Kelsch asked the Board to review the purpose of the capstone project. Marla restated the capstone project ideas. We want to look at the entire community. We want GIS of all of our roads and trails, identify topography, consider the community as a whole, strategic plan support, and get a 3rd party unbiased opinion. Linda loves that! Vince asked, what is your vision of Silver Creek? Linda stated, she
likes the paved roads, and suggests improvements to steep road areas. She would like the roads to be safer. She loves what the Board has done with some roads. Peter asked her for her concerns? Linda replied, road safety such as speeding is a concern; she asked the Board to put a stop sign on Oakridge South coming into Silver Creek. It is a very dangerous intersection. Peter suggested that Wolf sand that intersection extensively. Linda stated, her adult kids cannot make that climb without studded snow tires. Chris stated, Wolf doesn’t experience our intersections like we do because they have chains on. Vince stated, the board is authorizing Chris to put up “icy” signs.

Linda stated, her well is in! They went 500 feet deep. The water is clean enough to drink. Zimmerman is their contractor.

Vince asked, if the service area needs a new municipal well, would you be interested in having a new well on your property? The Service Area doesn’t have much property to use. We need a high point and we will offer compensation. Linda asked, would neighboring properties be required to connect? Vince replied, he does not think so. Nathan replied, that it is up to you. If you are a dry lot, you are connecting to the system. He advised Linda to think about it.

Larry motioned to move from Public Comment into Closed Session which Bob seconded. Support for this motion was unanimous.

Vince motioned to end the Closed Session into which Larry seconded. With no discussion, support for this motion was unanimous. Larry motioned to move into Voting which Vince seconded. Support was unanimous.

9. Voting:
   a. Update to priority list: no items
   b. 2019 Calendar review and adjustment: no changes
   c. GM contract renewal: Larry motioned to approve Marla Howard’s 3-year contract extension at a salary of $67,500 to include annual adjustments in salary based upon her annual review. Vince seconded this motion. With no further discussion support was unanimous. Larry moved to extend a $5k annual bonus for her 2018 workplace performance. Vince seconded this motion and support was unanimous. Nathan stated, Marla’s contract indicates a discretionary performance bonus is permitted without a cap on the amount. It replaces the old paragraph 4.6 which gives the Board more discretion.
   d. Conditional Use Permit Review: we have given Marla direction.
   e. Capital approval for water projects: we authorized the drafting of the RFPs.
   f. Initiation of Capstone Project for trails, transportation and parks: Staff has been directed to proceed.
   g. Voting on officers: tabled
   h. Other items discussed during meeting: none

10. Adjournment
Larry motioned to adjourn which Bob seconded. Support for this motion was unanimous and the meeting ended at 8:19pm.
2

ADMINISTRATIVE
&
FINANCIAL
Summit County Service Area #3

STAFF REPORT

From: Marla Howard
Date: January 22, 2019
Subject: Water Rights

STATUS:

The following leads have been identified:

1. Bells – they are on the sewer system and are spending significant sums to purify the water. They approximate they use about 60,000 gallons a month. Right now, their well has 3 rights from Wanship and have other rights that can be transferred over. Chris’ thought is that they could transfer more shares to the well and then transfer the shares to us.
   a. Chris is to get a meeting with them.
2. Suzanne identified a home on Tollgate that is for sale with extra water right as part of the sale. The listing indicates that there are 11 shares. Upon investigation it looks like the water is through Pine Meadow Mutual Water.
3. There is a lot within Silver Creek where the owners are past due on 4 years of stand by fees. We met with them last summer where the VanAusdals indicated that they had 2 rights with the lot. However, no rights appear on the water rights map for VanAusdals. They have owned this lot since 1993.

RECOMMENDATIONS:
Summit County Service Area #3

STAFF REPORT

From: Marla Howard, Chris Bullock
Date: January 18, 2019
Subject: Mtn Life Church

STATUS:

We met with Doug Wood wit Mountain Life Church – he is handling the oversight while Steve is on a sabbatical. We discussed the following:

1. The status of the conditional use permit.
   
   a. The county denied the use at this point because of an old “Spa” designation. Pat Putt is working to have that removed. They are looking at using some of the land in the unimproved lot, but it would be difficult because they don’t have a square or rectangular piece of land that is the right size. Plus there are county set back requirements with wetlands that are cumbersome.

2. Snow plowing across the road.
   
   a. Doug will talk with the vendor and emphasize the need to be a good neighbor.

3. Second drive access:
   
   a. Doug was unaware that the second driveway was not authorized. He recognized the issue with crossing the trail. He will work with staff/vendors to create a flow from the main parking lot to the overflow. Also, he will have some sort of barrier installed to prevent patrons from driving off Silver Creek Road into the second access.

RECOMMENDATIONS:

We will continue to monitor the conditions.
Summit County Service Area #3

STAFF REPORT

From: Marla Howard, Eileen Haynes

Date: January 18, 2019

Subject: University of Utah Capstone/Study Class project

STATUS:

Stacy presented our project to a number of students and one first year Master student expressed interest and would like a paid internship, if possible. The first-year student will be able to work with us through the summer and fall, if needed. The candidate’s name is Ian Bradley. After an initial meeting with Ian, we can better assess the timeline for the project and the projected hours to completion.

The staff will work on getting an initial meeting set with Ian to discuss the project with him so he can create a scope and timeline.

RECOMMENDATIONS:

There are funds in the budget for professional fees that can be used for this project. The recommendation is for approximately 150 hours up to $3,000.
Summit County Service Area #3

STAFF REPORT

From: Marla Howard
Date: January 18, 2019
Subject: Surveys/easements

STATUS:

Marla selected Ferrari Surveying, located in the building to do the surveys. They came recommended and were the cheapest option. Greg indicated that the Service Area’s surveys are the next on his to do list and anticipates completion by the week of January 30th.

Greg and Bob met about the survey on Bob’s property and what Bob sees as a simple solution. Greg will meet with Bob at the site so Bob can describe where the trail is located.

Chris and Marla will work with Eileen G. to discuss the short-term trail work for 2019. Through this process we will identify flagrant right of way violators and potential easements.

RECOMMENDATIONS:

None at this time.
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<tr>
<td>20-May-19</td>
<td>Regular board meeting</td>
<td>Work on Strategic Plan. Water Filtration report presented. Review audit report by 3rd party (not sure what Suzanne meant by this)</td>
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<tr>
<td>3-Jun-19</td>
<td>Roads, trails and new construction</td>
<td>Financial audit presentation and recommendations. Rate study presentation</td>
</tr>
<tr>
<td>17-Jun-19</td>
<td>Regular board meeting</td>
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<td>15-Jul-18</td>
<td>Regular board meeting</td>
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<tr>
<td>5-Aug-19</td>
<td>Regular board meeting</td>
<td>Recap of capital projects.</td>
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<td>9-Sep-19</td>
<td>Regular board meeting</td>
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<td>23-Sep-19</td>
<td>Regular board meeting</td>
<td>Capital projects proposal and review for 2020</td>
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<td>2019 Recommended budgets, capital project review and approval, rfp's issued</td>
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<td>4-Nov-19</td>
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<tr>
<td>18-Nov-19</td>
<td>Public hearing for budget, 2020 capital projects and rfp</td>
<td>Budget resolution, award RFPs</td>
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<td>2-Dec-19</td>
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COMMERCIAL LEASE AGREEMENT

THIS Commercial LEASE AGREEMENT ("Agreement" or "Lease") is made and entered into this day 5th of February 2018, by and between: R. Collin Mangrum and Ann Mangrum (collectively, "Landlord") and Summit County Service Area #3 (hereinafter referred to as "Tenant").

RECITALS

A. WHEREAS, Landlord is the fee Landlord of certain real property being, situated in Summit County, Utah, such real property having a street address of Units 1 & 2, 629 East Parkway Dr., Park City, Utah,

B. WHEREAS, Landlord desires to lease the Premises to Tenant upon the terms and conditions as contained herein.

C. WHERAS, Landlord and Tenant previously executed a Lease on February 5, 2018 (the "First Lease") and now desire to amend and replace that lease to include additional space and a correspondence increase in rent.

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. PREMISES. For the purposes of this Agreement, the term "Premises" will refer to Units 1 & 2, and the boardroom located in the front portion of 629 East Parkway Dr., Park City, Utah, with access to the bathroom common areas. For the purposes of this Agreement, the term "Property" will refer to the buildings, structures, and appurtenances located at 629 East Parkway Dr., Park City, Utah, where the Premises are situated.

2. TERM. Landlord leases to Tenant and Tenant leases from Landlord the above described Premises together with any and all appurtenances thereto, commencing on the date both Parties execute this Agreement and ending on February 4, 2019.

2.1. Security Deposit. Tenant deposited a $750.00 Security Deposit with Landlord when the parties executed the First Lease to assure Tenant’s performance of all terms, provisions, and conditions of this Agreement. Tenant will pay an additional $400.00 to Landlord upon signing of this Agreement to account for the addition of the boardroom to the Premises. Landlord will add the $400.00 to the $750.00 Tenant previously paid to Landlord and both amounts will be considered one Security Deposit worth $1,150.00.

2.2. Application. Landlord may use or retain the whole or any part of the Security Deposit for any unsatisfied monetary obligation of Tenant arising under the terms and provisions of this Agreement. Tenant will not be entitled to any interest on the Security Deposit. The Security Deposit may be held or deposited separately or together with other such deposits, as permitted under applicable law and regulations.

2.3. Restrictions. If Tenant fails at any time to perform its obligations under this Agreement, Landlord may, at its option, apply the Security Deposit or so much thereof as is required to cure Tenant’s default, but if, prior to the expiration of
termination of this Agreement, Landlord depletes the Security Deposit in whole or in part, Landlord will notify Tennant in writing of the amount(s) Landlord has incurred along with itemized receipts showing the payments Landlord has made. Tenant will restore the amounts used by Landlord within ten (10) days of the date Tenant receives Landlord's written notice and the accompanying receipts, thus insuring that Landlord has the full Security Deposit on hand at all times during the Lease Term, including any extension, renewal or holdover term.

2.4 Transfer. In the event of a sale of the Property or Premises and unless Landlord will have a claim against the Security Deposit, Landlord will transfer the Security Deposit to the purchaser for the benefit of Tenant, at which time Landlord will be released by Tenant from all liability for the return of the Security Deposit.

2.5 Offset. If Landlord re-enters the Premises prior to the expiration of the Lease Term due to an Event of Default caused by Tenant, Landlord may retain such portion of the Security Deposit as may be necessary to offset the costs of such re-entry and will refund the balance to Tenant subject to the terms of Paragraph 2.2 hereof.

3. RENT. Rent will be paid in monthly installments on the 1st day of each and every month of the term hereof and will commence as follows: $1,150.00 on the date Tenant executes this Agreement. Tenant will pay rent to Landlord via checks made out to R. Collin Mangrum and mailed to Travis Mangrum at 9946 South Summit View Drive, Sandy, UT, 84092.

4. CONDITION OF PREMISES. Tenant stipulates, represents and warrants that Tenant has examined the Premises, and that the Tenant accepts the Premises as is. Except as otherwise provided herein, any modifications or alterations to the Premises must be approved by the Landlord in writing and approved by the Summit County Building Department prior to being made.

4.1 Approved Tenant Improvements. If it did not already do so under the terms of the First Lease, Tenant will install a locking latch on the door separating Unit A1 and the hallway and re-key Rear Door in the Warehouse at its expense and without further approval from the Landlord, provided that Tenant will provide Landlord with a copy of all applicable keys. Tenant may also paint the interior of the Premises upon taking possession without any further approval from Landlord or the Summit County Building Department. At Tenant’s expense, Landlord will approve additional improvements that Tenant may request or require upon the Summit County Building Department’s approval of the same.

4.2 Other Tenant Improvements Require Landlord Approval. Tenant will make no alterations to the Premises or construct any structure or make any other improvements on the Premises without the prior written consent of the Landlord and without receiving any applicable permits or approvals from the Summit County Building Department. Any and all alterations, changes, and/or any other fixtures permanently affixed to the existing improvements on the Premises by Tenant will, unless otherwise provided by written agreement between Landlord and Tenant, be and
become the property of the Landlord and remain on the premises at the expiration or earlier termination of this agreement.

5. ASSIGNMENT AND SUB-LETTING. Tenant will provide notice of any proposed sublease to the Landlord at least thirty (30) days prior to the granting of any sublease. The assignment will not be unreasonably withheld by the Landlord but the Landlord reserves the right to maintain the integrity and mode of business so that it is a desirable rental complex as determined by the Landlord. Landlord will provide written notice of the acceptance or rejection of the proposed tenant within 10 days of the request to sublease provided by the Tenant. Landlord prohibits any storage of Harmful Toxic Chemicals on the Premises.

6. UTILITIES. Except as provided herein, Landlord will be responsible for arranging for and paying for all utility services required on the Premises, including, but not limited to, power and gas.

Tenant will pay Landlord $170.00 per month for power and gas. If Tenant’s power and gas use increases up to 20% of $170.00 or $200.00 per month based on an annual average, Landlord may increase the amount Tenant pays for power and gas, provided that the increase must not exceed the annual averages of Tenant’s usage and Landlord must first notify Tenant in writing of the increase. The Landlord will set up the power and gas utilities on their own meters to monitor Tenant’s power and gas use for Units A & B only and to facilitate Landlord’s payment of the power and gas bills.

Tenant will be responsible for snow removal on the sidewalks in front of Unit A 1. Landlord assumes responsibility for snow removal in the parking lot.

Landlord will pay for the water usage of the Premises unless the Tenant’s water usage exceeds 1000 gallons per month, as indicated by meter readings or invoices from the applicable water utility serving the Premises. If Tenant’s water usage for the Premises exceeds 1000 gallons per month, Tenant will pay for any and all usage above 1000 gallons per month.

7. The HVAC Equipment. Landlord will deliver the HVAC equipment serving the premises to Tenant in good working order upon the Tenant taking possession of the Premises. Landlord hereby represents and warrants the HVAC equipment is in good working order and will maintain said equipment per manufactures recommendations. Landlord will be responsible for the costs associated with any HVAC repairs incurred during the terms of this agreement.

8. MAINTENANCE AND REPAIR RULES. Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in the same condition as it was received, excepting ordinary wear and tear, during the term of this Agreement and any renewal thereof.

9. DAMAGE TO PREMISES. In the event the Premises are destroyed or rendered wholly uninhabitable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, this Agreement will terminate from such time except for the purpose of enforcing the Landlord’s and Tenant’s respective rights that may have then accrued pursuant to this Agreement. The rental provided for herein will then be
accounted for by and between Landlord and Tenant up to the time of such injury or
destruction of the Premises, provided that Tenant will pay rentals up to such date and
that Landlord will refund rentals collected beyond such date. Should a portion of the
Premises thereby be rendered uninhabitable, the Landlord will have the option of either
repairing such injured or damaged portion or terminating this agreement. In the event
that Landlord exercises its right to repair such uninhabitable portion to Tenant’s written
satisfaction, the rental will abate in the proportion that the injured part bears to the
whole Premises, and such part so injured will be restored by Landlord as speedily as
practicable, after which the full rent will recommence and the Agreement continue
according to its terms.

10. INSPECTION OF PREMISES. Except in cases of emergency, Landlord and
Landlord’s agents will have the right during the term of this Agreement to enter the
Premises at all reasonable times for: (i) the purpose of inspecting the Premises and all
buildings and improvements thereon; and (ii) making any repairs, additions or
alterations as Landlord may be deem appropriate for the preservation of the Premises
or the building, provided that Landlord must first give Tenant with 24 hour notice of its
intent to enter the Premises. And for the purposes of making any repairs, additions or
alterations as may be deemed appropriate by Landlord for the preservation of the
Premises or the Property. Landlord and its agents will further have the right to exhibit
the Premises and to display the usual "for sale", "for rent" or "vacancy" signs on the
Premises at any time within forty-five (45) days before the expiration of this
Agreement. The right of entry will likewise exist for the purpose of removing placards,
signs, fixtures, alterations or additions that do not conform to this Agreement or to any
restrictions, rules or regulations affecting the Premises.

11. SURRENDER OF PREMISES. Upon the expiration of the term of this
Agreement, Tenant will surrender the Premises in as good a state and condition as they
were at the commencement of this Agreement, reasonable use and wear and tear
thereof excepted.

12. PARKING. In consideration of Tenant’s use of Unit 1 & 2, and boardroom,
Tenant will be entitled to the use of (3) unassigned parking spots of 629 East Parkway
East Dr., Park City, Utah. Parking is prohibited on adjacent private properties.

13. QUIET ENJOYMENT. Tenant, upon payment of all of the sums referred to
herein as being payable by Tenant and Tenant’s performance of all Tenant's
agreements contained herein and Tenant's observance of all rules and regulations, will
and may peacefully and quietly have, hold and enjoy said Premises for the term hereof.

14. DEFAULT. The Landlord may terminate this Agreement following an “Event of
Default,” which will occur if: (i) Tenant fails to comply with any of the material
provisions of this Agreement, other than the covenant to pay rent, or any present rules
and regulations; or (ii) materially fails to comply with any duties imposed on Tenant by
statute. If an Event of Default occurs, Landlord will give Tenant a written notice of
default specifying the non-compliance and indicating the intention of Landlord to
terminate the Lease by reason thereof if Tenant does not cure the default within seven
(7) days of the date Tenant receives the notice of default. If Tenant fails to cure the
Event of Default within time period required by Landlord’s notice of default, Landlord
may terminate this Agreement. For Events of Default involving Tenant’s failure to pay rent, if Tenant fails to pay rent within the time period specified in Landlord’s notice of default, Landlord may, at Landlord's option, declare the entire balance of rent payable hereunder to be immediately due and payable and may exercise any and all rights and remedies available to Landlord at law or in equity or may immediately terminate this Agreement.

15. LATE CHARGE. In the event that any payment required to be paid by Tenant hereunder is not made within fifteen (15) days of when due, Tenant will pay to Landlord, in addition to such payment or other charges due hereunder, a "late fee" in the amount of $150.

16. ABANDONMENT. If at any time during the term of this Agreement Tenant abandons the Premises or any part thereof pursuant to Utah Code Ann. § 78B-6-815 or applicable successor statute, Landlord may, at Landlord’s option, obtain possession of the Premises in the manner provided by law, and without becoming liable to Tenant for damages or for any payment of any kind whatever. Landlord may, at Landlord's discretion, as agent for Tenant, re-let the Premises, or any part thereof, for the whole or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such re-letting, and, at Landlord’s option, hold Tenant liable for any difference between the rent that would have been payable under this Agreement during the balance of the unexpired term, if this Agreement had continued in force, and the net rent for such period realized by Landlord by means of such re-letting. If Landlord’s right of reentry is exercised following abandonment of the Premises by Tenant, then Landlord will consider any personal property belonging to Tenant and left on the Premises to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord will deem proper and Landlord is hereby relieved of all liability for doing so.

17. ATTORNEYS’ FEES. Should it become necessary for either party of this agreement to employ an attorney and commence litigation to enforce any of the conditions or covenants hereof, including for collection of rent or regaining possession of the Premise by Landlord, the prevailing party in any such litigation will be entitled to reimbursement for such reasonable expenses and costs so incurred, including any reasonable attorneys' fees actually incurred by such prevailing party.

18. GOVERNING LAW. This Agreement will be governed, construed and interpreted by, through and under the Laws of the State of Utah.

19. SEVERABILITY. If any provision of this Agreement or the application thereof will, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances will be affected thereby, but instead will be enforced to the maximum extent permitted by law.

20. BINDING EFFECT. The covenants, obligations and conditions herein contained will be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.
21. DESCRIPTIVE HEADINGS. The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Landlord or Tenant.

22. CONSTRUCTION. The pronouns used herein will include, where appropriate, either gender or both, singular and plural.

23. NON-WAIVER. No indulgence, waiver, election or non-election by Landlord under this Agreement will affect Tenant's duties and liabilities hereunder.

24. MODIFICATION. The parties hereby agree that this document contains the entire agreement between the parties and this Agreement will not be modified, changed, altered or amended in any way except through a written amendment signed by all of the parties hereto.

25. COMMON AREAS. Common entry area and bathrooms will be shared with other tenants in the Property. All tenants will be responsible for maintaining the cleanliness and maintenance of the greet area and bathrooms including providing toilet paper and bathroom materials and cleaning of the space. Rear warehouse area will also be used by Tenant and both tenants acknowledge the shared use of the space.

26. NOTICE. Any notice required or permitted under this Agreement or under state law will be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or via email, addressed as follows, provided that the Parties will notify each other in writing of any changes in their respective addresses:

**Landlord**
R.Collin and Ann Mangrum
C/O Travis Mangrum
9946 South Summitview Dr
Sandy Utah 84092
travismangrumservice@gmail.com

**Tenant**
Summit County Service Area #3
C/O General Manager
Marla Howard
gm@scca3.org

27. USE AND OCCUPANCY. The Premises will be used only for the purposes set forth in Exhibit B, attached hereto, and for no other purpose without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. If Tenant desires to use the Premises for any purpose not set forth in Exhibit B, Tenant must apply for a use permit and be approved, provided that in no event will Tenant make use of the Premises in a manner that violates any governmental laws, rules or regulations,
or building codes whether now existing or hereafter enacted insofar as they might relate to Tenant’s use and occupancy of the Premises. Tenant is also prohibited from making any use of the Premises that violates any restrictive covenants which apply to the Premises, and as the same may be hereafter amended, or which is or might: (i) constitute a nuisance or trespass; (ii) increase Landlord’s fire insurance premiums (or makes such insurance unavailable to Landlord) on the Property. At the option of Landlord, in the event of an increase in Landlord’s fire insurance premiums which directly results from Tenant’s use or occupancy of the Premises, Tenant will pay Landlord the amount of such increase within fifteen (15) days of receiving a written demand from the Landlord with supporting documentation: (i) from the insurance company showing the increase in the Landlord’s fire insurance premiums; and (ii) and explanation and supporting documentation showing how Tenant’s use or occupancy of the Premises directly increased Landlord’s fire insurance premiums. All costs of obtaining permits from Summit County in any way will be at the sole cost of the Tenant.

28. COMPLIANCE WITH THE LAW: Tenant will, at its sole expense, continually comply with all federal, state, and local laws, codes, ordinances, administrative and court orders and directives, rules, and regulations applicable to Tenant’s use and occupancy of the Premises as are now or may subsequently be in effect during the Rental Term. Tenant will not conduct nor permit to be conducted on the Premises any business in violation of any county, state or federal law, ordinance or regulation applicable to the Premises and the Property. Tenant will pay directly to the proper agency all licenses, fees, and charges legally imposed upon the use of the Premises by Tenant. Landlord will, at its sole expense, continually comply with all federal, state, and local laws, codes, ordinances, administrative and court orders and directives, rules, and regulations applicable to Landlord’s obligations under this Lease during the Rental Term.

29. SEWER SYSTEM: The Premises are connected to Summit County’s sewer system. If Tenant causes damage to the sewer system it will be responsible for the cost of repairing such damage. If Tenant’s use of the sewage system requires the use of a grease trap or the like, then the Tenant will be responsible to pay the costs of such improvement prior to such work being completed and all timely removal and cleaning of all grease traps. Tenant will not allow anything to be put down the drainage system except fluid. Solid materials of any kind other than toilet paper will not be run through the drainage system.

30. INSURANCE. Throughout the Lease Term, Tenant, at its sole cost and expense, will keep or cause to be kept for the mutual benefit of Landlord, Landlord’s Property Manager, if any, and Tenant, the following insurance: (i) commercial general liability insurance naming Landlord and Landlord’s Property Manager as additional insured’s against any and all claims for bodily injury and property damage occurring on, in or about the Premises and on, in or about the adjoining driveways and passageways, arising out of and connection with the use of Premises by Tenant, Tenant’s authorized representatives, and anyone for whom Tenant is responsible, with combined single limit coverage of at least $1,000,000.00 per occurrence for bodily injury and property damage combined.
31. INDEMNIFICATION. Tenant will indemnify, defend (with counsel selected by Landlord) and hold Landlord and Landlord's Property Manager harmless from and against any and all claims arising out of: (i) Tenant's use of the Premises or any part thereof; (ii) any activity, work, or other thing done or permitted by Tenant in or about the Premises or the Property, or any part thereof; (iii) any breach or default by Tenant in the performance of any of its obligations under this Agreement; or (iv) any act or negligence of Tenant, or any officer, agent, employee, contractor, servant, invitee or guest of Tenant; and in each case from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees at all tribunal levels) arising in connection with any such claim or claims as described in (i) through (iv) above, or any action brought thereon. Tenant assumes all risk of damage or loss to its property or injury or death to persons in, on, or about the Premises, from all causes except those for which the law imposes liability on Landlord or Landlord's Property Manager regardless of any attempted waiver thereof. The provisions of this paragraph will survive the termination or expiration of this Agreement.

32. AVAILABLE REMEDIES. Upon the occurrence of any Event of Default and following Landlord's compliance with the provisions set forth in paragraph 14 of this Agreement, Landlord will have the option, without notice or demand, to terminate this Agreement, in which event Tenant will immediately surrender the Premises to Landlord in good condition and repair, reasonable wear and tear excepted. Should Tenant fail to surrender the Premises, Landlord may, without prejudice to any other remedy available, but pursuant to any required legal process, re-enter and take possession of the Premises with or without prior notice and remove Tenant or anyone occupying the Premises and all property from the Premises, which property may be removed and stored in any other place in the Building in which the Premises are situated, or in any other place, for the account of and at the expense and risk of Tenant. For situations involving an Event of Default, Tenant waives all claims for damages which may be caused by Landlord's re-entry and taking possession of the Premises or removing or storing Tenant's furniture and property for Tenant to reclaim at its sole expense. Tenant will save Landlord harmless from any loss, fees, costs or damages and expenses (including reasonable attorneys' fees) suffered by Landlord because of any termination and re-entry due to an Event of Default. No re-entry will be considered or construed to be an illegal forcible entry in situations involving an Event of Default. Landlord's rights pursuant to the provisions of this paragraph are in addition to, and not in limitation of, any other remedy permitted by any other provisions of this Agreement or the laws of the State of Utah, where the Premises are located. Likewise, Tenant will be entitled to all available remedies permitted under the law that are not in conflict with this Lease.
33. **LANDLORD LIABILITY:** Anything in this Agreement to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not for the purpose of binding Landlord personally or the assets of Landlord generally, but are made and intended to bind only Landlord to the extent of its interest in the Premises and the Property as the same may, from time to time, be encumbered, and no personal liability will at any time be asserted or enforceable against Landlord on account of this Agreement or on account of any covenant, undertaking or agreement of Landlord in this Agreement, but will only be asserted or enforceable against Landlord's interest in the Premises and the Property, as the same may, from time to time, be encumbered.

34. **TRASH:** Landlord will pay for trash pickup once a week. Tenant acknowledges that other Tenants use the dumpster. Tenant will only be responsible for costs involving trash pickup if Tenant directly creates a need for more than one trash pick-up per week.

35. **LEASE RENEWAL:** Tenant is granted the option of five (5) one (1) year renewals of this Agreement on the same terms as set forth in this agreement. In order to exercise said option Tenant will notify the Landlord no fewer than sixty (60) days prior to the end of each Lease term, in writing of its intent to renew, and such notice will extend the term for one (1) year.

**Landlord**

R. Collin Mangrum  
Ann Mangrum

**Tenant:**

Summit County Service Area #3  
Suzanne Carpenter, Chair  
Meda Howard, General Manager
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<tr>
<td>6-May-19</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>20-May-19</td>
<td>Regular board meeting</td>
<td>Work on Strategic Plan. Water Filtration report presented. Review audit report by 3rd party (not sure what Suzanne meant by this)</td>
</tr>
<tr>
<td>3-Jun-19</td>
<td>Roads, trails and new construction</td>
<td></td>
</tr>
<tr>
<td>17-Jun-19</td>
<td>Regular board meeting</td>
<td>Financial audit presentation and recommendations. Rate study presentation</td>
</tr>
<tr>
<td>15-Jul-18</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>5-Aug-19</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>19-Aug-19</td>
<td>Regular board meeting</td>
<td>Recap of capital projects.</td>
</tr>
<tr>
<td>9-Sep-19</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>23-Sep-19</td>
<td>Regular board meeting</td>
<td>Capital projects proposal and review for 2020</td>
</tr>
<tr>
<td>7-Oct-19</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>21-Oct-19</td>
<td>Regular board meeting</td>
<td>2019 Recommended budgets, capital project review and approval, rfps issued</td>
</tr>
<tr>
<td>4-Nov-19</td>
<td>Regular board meeting</td>
<td></td>
</tr>
<tr>
<td>18-Nov-19</td>
<td>Public hearing for budget, 2020 capital projects and rfp</td>
<td>Budget resolution, award RFPs</td>
</tr>
<tr>
<td>2-Dec-19</td>
<td>Regular meeting</td>
<td></td>
</tr>
<tr>
<td>16-Dec-19</td>
<td>Regular meeting</td>
<td></td>
</tr>
</tbody>
</table>
WATER
Ms. Marla Howard
Summit County Service Area No. 3
629 East Parkway Drive
Park City, Utah 84098

January 18, 2019

Subject: Proposal - 2019 Arsenic Treatment Pilot Study

Dear Marla:

As requested, we are providing a proposal to assist with the review of arsenic treatment options and performance of a pilot study. We will prepare a request for proposal (RFP) that will be sent to arsenic treatment equipment vendors. Updated water quality data will be provided to the vendors. The RFP will request that each vendor provide technical and cost data for the initial equipment purchase and for operations and maintenance. The vendors will also be asked to provide a proposal to complete a pilot study which will demonstrate the ability of their technology to effectively remove arsenic from the Greenfield Well production water.

Previously, vendors provided conceptual level proposals based on the older water quality data that was then available. At this point, we want more formal proposals based on the new water quality data and without conceptual level assumptions. The proposed approach will be confirmed by the pilot testing. The Board may choose to perform one or more pilot tests. Once the Board is satisfied with the results and makes a final technology selection, design of the treatment plant can proceed.

We recommend the following scope of work for the engineering.

SCOPE OF WORK

TASK 100 Arsenic Treatment Technology Review and Pilot Study

Activities:

101. General project management, coordination and communication.

102. Collect available data including recent water quality results and previous vendor submittals. Review data and identify additional water quality data needs if any.

103. Prepare a RFP for treatment technology and equipment. The RFP will address: technology recommendations, pilot study capabilities, process needs, input and output.
output delivery pressures, equipment dimensions, input chemicals, waste production, waste disposal, and case studies of successful installations. Costs for purchasing, commissioning and operations should also be provided in the RFPs.

104. Assist with issuing RFP to vendors.

105. Review proposals received. Attend meeting with Service Area to discuss proposals. The Board will make a selection for the arsenic removal technology.

106. Meet with the Utah Division of Drinking Water to discuss the preferred technology and obtain input from the Division regarding acceptance and approval requirements.

107. Engineering support during pilot testing and evaluation of data.

108. Prepare report describing methods, findings and recommendations.

Output:

- Request for proposal for vendors
- Report

**SCHEDULE**

We anticipate that the RFP will be complete within two months of the authorization to proceed. The pilot testing will likely be performed within 3 months of giving authorization to proceed to the vendor; however, the specific timing will need to be confirmed with the vendor.

**ENGINEERING FEE**

Hansen, Allen & Luces, Inc. (HAL) proposes a professional “not to exceed” engineering budget of $14,900. Charges to the project will be based on actual expenses in accordance with HAL’s Fee Schedule, a copy of which is attached. If less effort is required by HAL to accomplish the tasks than is anticipated, the Service Area will only be invoiced for the actual effort required. Costs for the vendor(s) to conduct the pilot study are separate and will be paid directly by the Service Area.

**ASSUMPTIONS**

This scope of work has been prepared with the following assumptions included:

1. The budget provides costs for engineering support of a single pilot test. Additional
Ms. Marla Howard
January 18, 2019
Page 3 of 3

support will be provided for time and materials listed on the fee schedule after a discussion with the Service Area.

Please contact us if you have any questions about our proposal.

Sincerely,

HANSEN, ALLEN & LUCE, INC.

[Signature]

Benjamin D. Miner, P.E.
Principal
STANDARD FEE SCHEDULE
2019

PERSONNEL CHARGES

Client agrees to reimburse Hansen, Allen & Luce, Inc. (HAL), for personnel expenses directly related to the completion of the project, in accordance with the following:

Senior Managing Professional ........................................ $188.50/hr
Managing Professional .................................................. $164.50/hr
Senior Professional II ..................................................... $151.00/hr
Senior Professional I ...................................................... $136.10/hr
Professional III ......................................................... $131.25/hr
Professional II ............................................................ $117.85/hr
Professional I ............................................................... $109.50/hr
Professional Intern ....................................................... $98.90/hr
Engineering Student Intern ........................................... $51.30/hr
Senior Designer ........................................................... $105.65/hr
Senior Field Technician ................................................ $105.65/hr
Field Technician ........................................................... $85.85/hr
CAD Operator ............................................................. $85.85/hr
Secretary ....................................................................... $63.00/hr
Professional Land Surveyor .......................................... $121.35/hr
1 Man GPS Surveying Services ....................................... $143.40/hr

Expert Legal Services ................................................... $300.00/hr

DIRECT CHARGES

Client also agrees to reimburse HAL for all other costs directly related to the completion of the project. Direct charges shall include, but not be limited to, the following:

Communication, Computer, Reproduction ....................... $6.00 per labor hour
Out-of-town per diem allowance (lodging not included) .......... $46.00 per day
Vehicle ........................................................................ $0.65 per mile
Outside consulting and services ...................................... Cost plus 10%
Other direct expenses incurred during the project ................ Cost plus 10%
Trimble GPS Unit .......................................................... $130.00 per day
Drone Unit ................................................................. $500.00 per day plus data conversion costs
Data Logger/Transducer .................................................. $125.00 per week

INTEREST CHARGE AFTER 30 DAYS FROM INVOICE DATE .............. 1.5% per month

Note: Annual adjustments to personnel and direct expense charges will occur in January of each year. Mileage rate changes are based on fuel prices.
Ms. Marla Howard  
Summit County Service Area No. 3  
629 East Parkway Drive  
Park City, Utah 84098  

January 17, 2019

Subject: Proposal - 2019 Water Projects

Dear Marla:

As requested, we are providing a proposal for the design of projects E-1, E-2 and E-3 from the water master plan. We have organized the proposal assuming that project E-1 will be constructed and that projects E-2 and E-3 may be constructed if authorized by the Board. The engineering costs will be substantially lower if the projects are designed at the same time as compared to designing each separately. For example, a single set of specifications could be used for all three projects rather than preparing three separate sets. With this in mind, we are providing full costs for project E-1 and additional costs for projects E-2 and E-3 assuming that E-1 is authorized.

We recommend the following scope of work:

**SCOPE OF WORK**

**TASK 100 Project E-1: Whileaway Road Pipeline and PRV Station**

*This project will enhance water circulation and fire flows along the eastern branch of Whileaway Road, Beehive Drive and Echo Lane.*

**Activities:**

**Design**

101. General project management, coordination and communication.
102. Perform design survey.
103. Start-up meeting and site visit.
104. Prepare AutoCAD base map.
105. Prepare design drawings including:
   a. Cover Sheet
   b. Drawing Index
   c. General notes and legend
d. Plan view drawings (3 sheets assumed in budget)
e. Pressure reducing valve station (up to 2 sheets assumed in budget).
f. Pipeline details (1 sheet)
g. Misc. details (1 sheet)

106. Prepare bidding documents including technical specifications.
107. Provide documents to Service Area for review.
108. Attend 90% review meeting.
109. Prepare submittal to Utah Division of Drinking Water for plan review.
110. Prepare construction cost estimate.

**Bidding Assistance**

111. Prepare bid advertisement document and deliver to the Service Area. The Service Area will do the advertisement.
112. Assist with distribution of bidding documents to contractors.
113. Receive and respond to contractor questions during bidding. Issue addenda (assume 1 addendum in budget).
114. Attend pre-bid meeting and walk through.
115. Attend bid opening.
116. Review bids and prepare recommendation for award.

**Services During Construction**

117. Prepare construction manuals for the Service Area and contractor to sign.
118. Conduct pre-construction meeting.
119. Review shop drawings and submittals.
120. Provide on-site construction observation visits (Assume 3 visits).
121. Conduct progress meetings (Assume 2 meetings).
122. Respond to contractor’s requests for information.
123. Review and process change orders.
124. Review and process payment requests.
125. Conduct walk-throughs (assume 2 in budget)
126. Prepare record drawings based on information provided by Contractor.
127. Prepare operating permit request for facilities.

**Output:**

- Bidding documents, project manual and drawings
- Cost Estimates
- Shop drawing and submittal reviews
- Change Orders
- Pay Requests
- Operating permit applications
Ms. Maria Howard  
January 17, 2019  
Page 3 of 6

- Record drawings

**TASK 200**  
**E-2: Wasatch Way Pipeline**

*This project increases available fire flow along Wasatch Way.*

**Activities:**

**Design**

201. General project management, coordination and communication.
202. Perform design survey.
203. Start-up meeting and site visit.*
204. Prepare AutoCAD base map.
205. Prepare design drawings including:
   a. Cover Sheet*
   b. Drawing Index*
   c. General notes and legend*
   d. Plan view drawings (3 sheets assumed in budget)
   e. Pipeline details (1 sheet)*
   f. Misc. details (1 sheet)*
206. Prepare bidding documents including technical specifications.*
207. Provide documents to Service Area for review.
208. Attend 90% review meeting.*
209. Prepare submittal to Utah Division of Drinking Water for plan review.*
210. Prepare construction cost estimate.

**Bidding Assistance**

211. Prepare bid advertisement document and deliver to the Service Area. The Service Area will perform advertisement.*
212. Assist with distribution of bidding documents.*
213. Receive and respond to contractor questions during bidding. Issue addenda (assume 2 in budget).
214. Attend pre-bid meeting and walk through.*
215. Attend bid opening.*
216. Review bids and prepare recommendation for award.*

**Services During Construction**

217. Prepare construction manuals for the Service Area and contractor to sign.*
218. Conduct pre-construction meeting.*
219. Review shop drawings and submittals.
220. Provide on-site construction observation visits (Assume 3 visits).*
221. Conduct progress meetings (Assume 2 meetings).*
222. Respond to contractor’s requests for information.
223. Review and process change orders.
224. Review and process payment requests.*
225. Conduct walk-throughs (assume 2 in budget)*
226. Prepare record drawings based on information provided by Contractor.
227. Prepare operating permit request for facilities.*

Output:

- Bidding documents, project manual and drawings
- Cost Estimates
- Shop drawing and submittal reviews
- Change Orders
- Pay Requests
- Operating permit applications
- Record drawings

*Activity performed with TASK 100 budget.

**TASK 300 E-3: Greenfield Drive Pipeline**

This project increases available fire flow along a portion of Greenfield Drive near Valley Drive.

Activities:

**Design**

301. General project management, coordination and communication.
302. Perform design survey.
303. Start-up meeting and site visit.*
304. Prepare AutoCAD base map.
305. Prepare design drawings including:
   a. Cover Sheet*
   b. Drawing Index*
   c. General notes and legend*
   d. Plan and profile drawings (1 sheets assumed in budget)
   e. Pipeline details (1 sheet)*
   f. Misc. details (1 sheet)*
306. Prepare bidding documents including technical specifications.*
307. Provide documents to Service Area for review.*
308. Attend 90% review meeting.*
309. Prepare submittal to Utah Division of Drinking Water for plan review.*
310. Prepare construction cost estimate.

Bidding Assistance

311. Prepare bid advertisement document and deliver to the Service Area. The Service Area will perform advertisement.*
312. Assist with distribution of bidding documents.
313. Receive and respond to contractor questions during bidding. Issue addenda (assume 2 in budget).*
314. Attend pre-bid meeting and walk through.*
315. Attend bid opening.*
316. Review bids and prepare recommendation for award.*

Services During Construction

317. Prepare construction manuals for the Service Area and contractor to sign.*
318. Conduct pre-construction meeting.*
319. Review shop drawings and submittals.
320. Provide on-site construction observation visits (Assume 3 visits).*
321. Conduct progress meetings (Assume 2 meetings).*
322. Respond to contractor’s requests for information.*
323. Review and process change orders.*
324. Review and process payment requests.*
325. Conduct walk-throughs (assume 2 in budget)
326. Prepare record drawings based on information provided by Contractor.
327. Prepare operating permit request for facilities.*

Output:

- Bidding documents, project manual and drawings
- Cost Estimates
- Shop drawing and submittal reviews
- Change Orders
- Pay Requests
- Operating permit applications
- Record drawings

*Activity performed with TASK 100 budget.

SCHEDULE

We anticipate that the design work will be completed within 4 months of authorization to
Ms. Marla Howard  
January 17, 2019  
Page 6 of 6

proceed and once the surveying is done. The surveying requires access to corners and monuments and is not possible when covered with snow. Construction should be completed within about 6 months after the design. If authorization is given by the end of February, we anticipate that construction will be done this fall.

ENGINEERING FEE

Hansen, Allen & Luces, Inc. (HAL) proposes a professional "not to exceed" engineering budget as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Design</th>
<th>Bidding Assistance</th>
<th>Services During Construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1</td>
<td>$14,800</td>
<td>$3,700</td>
<td>$12,300</td>
<td>$30,800</td>
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<tr>
<td>E-2*</td>
<td>$8,000</td>
<td>$500</td>
<td>$5,900</td>
<td>$14,400</td>
</tr>
<tr>
<td>E-3*</td>
<td>$5,000</td>
<td>$500</td>
<td>$3,300</td>
<td>$8,800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$27,800</td>
<td>$4,700</td>
<td>$21,500</td>
<td>$54,000</td>
</tr>
</tbody>
</table>

*These costs assume the project E-1 is also authorized.

Charges to the project will be based on actual expenses in accordance with HAL’s Fee Schedule, a copy of which is attached. If less effort is required by HAL to accomplish the tasks than is anticipated, the Client will only be invoiced for the actual effort required.

ASSUMPTIONS

This scope of work has been prepared with the following assumptions included:

1. Fees required by governing and reviewing agencies will be paid by SCSA No. 3.
2. Responses to requests by governing or review agencies are not included within the indicated budget.
3. It is not expected that air relief valves will be needed. An air relief valve has not been included in the budget.

Please contact us if you have any questions about our proposal.

Sincerely,

HANSEN, ALLEN & LUCE, INC.

[Signature]

Benjamin D. Miner, P.E.
Principal

ENGINEERING EXCELLENCE SINCE 1974
STANDARD FEE SCHEDULE
2019

PERSONNEL CHARGES

Client agrees to reimburse Hansen, Allen & Luce, Inc. (HAL), for personnel expenses directly related to the completion of the project, in accordance with the following:

- Senior Managing Professional .................................................. $188.50/hr
- Managing Professional .............................................................. $164.50/hr
- Senior Professional II ............................................................... $151.00/hr
- Senior Professional I ................................................................. $136.10/hr
- Professional III ........................................................------------ $131.25/hr
- Professional II ........................................................................ $117.85/hr
- Professional I .......................................................................... $109.50/hr
- Professional Intern ................................................................. $98.90/hr
- Engineering Student Intern ...................................................... $51.30/hr
- Senior Designer ...................................................................... $105.65/hr
- Senior Field Technician ............................................................ $105.65/hr
- Field Technician ....................................................................... $85.85/hr
- CAD Operator .......................................................................... $85.85/hr
- Secretary .................................................................................. $63.00/hr
- Professional Land Surveyor ....................................................... $121.35/hr
- 1 Man GPS Surveying Services ................................................ $143.40/hr

Expert Legal Services .................................................................. $300.00/hr

DIRECT CHARGES

Client also agrees to reimburse HAL for all other costs directly related to the completion of the project. Direct charges shall include, but not be limited to, the following:

- Communication, Computer, Reproduction ................................ $6.00 per labor hour
- Out-of-town per diem allowance (lodging not included) .......... $46.00 per day
- Vehicle ..................................................................................... $0.65 per mile
- Outside consulting and services ............................................... Cost plus 10%
- Other direct expenses incurred during the project .................. Cost plus 10%
- Trimble GPS Unit .................................................................... $130.00 per day
- Drone Unit ............................................................................... $500.00 per day plus data conversion costs
- Data Logger/Transducer ............................................................ $125.00 per week

INTEREST CHARGE AFTER 30 DAYS FROM INVOICE DATE ............. 1.5% per month

Note: Annual adjustments to personnel and direct expense charges will occur in January of each year. Mileage rate changes are based on fuel prices.
ROADS & TRAILS
### 2019 Maintenance

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grading and dustcontrol</td>
<td>30,000</td>
</tr>
<tr>
<td>Pothole repair</td>
<td>20,000</td>
</tr>
<tr>
<td>Maple Drive</td>
<td>8,600 chip seal</td>
</tr>
<tr>
<td>Parleys Way</td>
<td>8,000 chip seal</td>
</tr>
<tr>
<td>Tollgate</td>
<td>- chip seal</td>
</tr>
<tr>
<td>Aspen</td>
<td>11,000 chip seal</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>77,600</td>
</tr>
</tbody>
</table>

### 2019 Capital Road and Trails Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch Way</td>
<td>120,000</td>
<td>signage: stop, yield, speed; striping; pulverize, compact, repai</td>
</tr>
<tr>
<td>Civic Center raised crosswalk</td>
<td>30,000</td>
<td>Three locations</td>
</tr>
<tr>
<td>Trails</td>
<td>35,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>185,000</td>
<td></td>
</tr>
</tbody>
</table>

### Long Term Trail Capital Project

- Whileaway: 20,000 bike racks, shelter, signs,
- Civic Center Trailhead
- Lewis Park Trailhead

### Long Term Capital Projects:

- Redden Rd: 100,000 Stamford
- Cottontrail lower turnaround: 80,000 Chip seal
- Silver Creek: 80,000
- Civic Center: 200,000
- Truck Storage: 65,000 continuous
- Drainage: 50,000

**Total**: 575,000
Document
4b
To come via email
From
Chris Bullock
PUBLIC COMMENT
No Documents Provided
VOTING
No Documents Provided
PUBLIC COMMENT
No

Documents

Provided
VOTING
No Documents Provided
ADJOURNMENT