



SMSSD Public Board Meeting April 16th, 2024 @ 5:00 pm

Mt. Pleasant Senior Citizens Center – 101 East 100 North, Mt Pleasant, Ut 84647 Join Zoom

Meeting: <https://us06web.zoom.us/j/8018195705>

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Board Members in attendance: Craig Godwin, Don Hunter, Trent Andersen, Beca Mark, & Ferris Taylor
Staff: Roy Fox (Water Superintendent and SMSSD Treasurer) & Jeremy Fox (Certified Water Operator)

SMSSD Members Attending: Sign in Sheet and Zoom list for the meeting is available at the SMSSD Offices

Meeting was called to Order at 5:10PM by Craig Godwin, SMSSD Board Chair. A welcome was given to those in attendance as well as those on Zoom.

Invocation: Ferris Taylor

Board Meeting Agenda with Minutes, Discussion and Board Actions

- 1) Swearing in of Board Members
 - a) SMSSD has three Board Members appointed by the Sanpete County Commissioners since the last Board Meeting: Don Hunter (reappointed), Ferris Taylor (new), and Craig Godwin (reappointed). (Note: Don Hunter's 4-year term will expire on January 1, 2028, and Ferris Taylor's 4-year term will expire on January 1, 2029, as per the decision by the County Commissioners. Craig Godwin's term will expire on January 1, 2026, as emails confirmed his current term was to expire in September of 2025.)
 - b) Beca Mark, the SMSSD Clerk, asked each to stand, raise their right hand to the square, and repeat:
 - i) "I do solemnly swear that I will support, obey, and defend the Constitution of the United States, and the Constitution of this State, and that I will discharge the duties of my office with fidelity."
 - ii) The Board Member Starter Training Package and State Requirements are outlined in Attachment A.
 - c) Beca Mark to obtain and submit the signed Oath of Office forms to Sanpete County, as required.
 - d) Craig Godwin thanked Gene Nielsen for his many years of service, first on the SMR Board, and then the SMSSD Board/SMR Liaison, and until April 2, 2024, as a SMSSD Board Member.
- 2) Approval of Meeting Minutes
 - a) Meeting minutes from SMSSD's last meeting on January 24, 2024, was on the agenda as a combined Public Hearing on 1) a SMSSD rate increase, and 2) a 2024 budget, followed by a Board Meeting.
 - i) The Meeting Minutes were read by Craig Godwin, for everyone's benefit.
 - ii) Roy Fox corrected the minutes adding "or water available" in the referenced section.
 - iii) A discussion took place concerning the statement in the minutes that "Explanation of the County Attorney's opinion on two expired board member terms. They can contribute in their role, but can't vote on any motions or actions." That statement is not supported by the Utah Code.

- iv) As the minutes appropriately documented the January meeting discussion, it was decided that this meeting's minutes reflect a correction to the quoted opinion of the Sanpete County Attorney.
 - (1) Page 6 of the Utah State "Little Manual for SSDs" states "each board of trustees member shall serve until a successor is duly elected or appointed,"
 - (2) State Code 17B-1-303 (2) c (ii) repeats the same language and further clarifies that "the member may continue to serve until a successor is duly elected or appointed and qualified."
 - v) There was also an extensive discussion on how the minutes of the Public Hearing on the Rate Increase reflected the "refinancing" of the SMSSD State bond for improvement of the Thad's Peak fill station and the 30,000-gallon storage tank as designed and planned.
 - (1) Part of the discussion was whether refinancing of the bond would require a SMR member vote.
 - (a) It was pointed out that in the Utah Code 17D-1-103 (2) an SSD may (f) "mortgage, pledge, or otherwise encumber all or any part of the special service district's property or assets, including water and water rights;" and (m) "borrow money and incur indebtedness" if it is in the interest of the property owners in the SSD and there is a "public benefit" in doing so.
 - (2) Trent Andersen stated it is the SMR Board's belief that the question on a member vote could be found in the Water Operating Agreement and/or the License Agreement with SMR.
 - (3) The expectation is that the SMR Board will identify what language relates to a member vote.
 - vi) Another discussion was to clarify in the January 24, 2024, minutes that the refinancing of the SMSSD bond would involve "cash out " money for the Thad's Peak water system improvements.
 - (1) It was agreed that the refinancing would increase the draw on the bond in an amount required to improve the Thad's Peak fill station and the 30,000-gallon tank for water and fire mitigation.
 - (2) That "cash out" term will be added to the January 24, 2024, minutes.
 - vii) The motion was made by Beca Mark to approve the January 24, 2024, minutes with the corrections stipulated by Roy Fox and "cash out" by Trent Andersen; Seconded by Ferris Taylor; and approved by voice vote of the SMSSD Board. With those corrections, the January Minutes stand approved.
 - b) Going backwards to the December 28, 2023, minutes, which had not yet been approved as noted that "Trent Anderson expressed concern about certain wording and phrases and requested we delay action" in the Public Hearing on Impact Fees, as written in the December 28, 2023, SMSSD minutes.
 - i) Trent wanted to make additions to the December 28, 2023, minutes before they were approved.
 - ii) The concern/question in the minutes was "How do you charge an impact fee to an existing customer?" It was stated in those minutes that SMSSD could look at that language at any time.
 - iii) The Impact Fee resolution was passed on December 28, 2023, with Trent Andersen's "negative vote" but with the acknowledgement in the minutes that as SMSSD moves forward, any needed clarification is something that the SMSSD Board can look at.
 - iv) With that language already captured in the meeting minutes for December 28th, 2023, a motion to approve the minutes was made by Don Hunter; seconded by Beca Mark; and approved by voice vote of the SMSSD Board.
 - c) In summary, the January 24, 2024, minutes were approved with two corrections, and the December 28, 2023, minutes were approved to be published and posted on the SMSSD website, as written.
- 3) Approval of Financials
- a) Roy Fox, Treasurer, reviewed the SMSSD financials through the end of March 2024, as sent out earlier.
 - i) All attendees received the full set of financials including expenses in the packet when they arrived.
 - ii) In summary, at the end of Q1 there is \$1,958 in checking, \$26,852 in X-Press Billing Deposits, \$13,507.91 in the Loan Payment account, \$1,519 in the Interest Account plus very similar \$1,500+/- amounts the other accounts, for a total SMSSD financial balance of \$50,155.71.
 - iii) To be on track for paying the Drinking Water bond at this point, SMSSD would need to have \$42,975 in cash from a combination of the above accounts plus ongoing funds to operate SMSSD.

- iv) Craig Godwin and Roy Fox noted that financially we have started 2024 behind. Last year we had to ask the Drinking Water Board to give us additional time as we didn't pass the rate increase in 2023.
 - v) We are just starting to see evidence that the delayed 2024 rate increase will assist SMSSD in meeting long-term obligations. The spreadsheet shows that SMSSD is starting to gain funds and should be in good shape to make bond payments plus be stable in other financial accounts, at least on a historical basis.
 - vi) Craig Godwin emphasized "historical," because heaven forbid, we have some catastrophic things that we haven't dealt with before. We should never say never, but the finances are getting better.
 - b) The motion to approve the financials was made by Beca Mark; seconded by Don Hunter; and approved by the board by a voice vote.
- 4) Update on Water System
- a) With respect to the Water System updates, all attendees were given the State of Utah "Little Manual for Special Service Districts," as revised in May of 2023. It is the set of rules, regulations, and procedures that all Utah Special Service Districts, including SMSSD, are trained and governed by.
 - b) One of SMSSD booster motors (which pumps water from the 55,000-gallon tank up to the 255,000-gallon tank) has been rebuilt and should be ready to install as soon as possible.
 - c) A question on the location and cause of current pumping noise was discussed. The noise is because the booster bearings in the current pump are going out. The backup pump was also burnt out but has now been rebuilt. With the backup pump fixed and ready to be installed, that noise should lessen.
 - d) Tricia Wright acknowledged it will be appreciated by those that live next door to the booster station.
 - e) The County Commissioners supported a grant from the Central Utah Water Conservatory that was applied for in the last month in the amount of about \$600,000 for the 1st phase of the Thad's Peak well.
 - f) SMSSD will receive a 75% grant on that \$600,000 first phase. Bids will be going out in the next few weeks. As the entire four-phase project is shovel ready, SMSSD has reviewed and is prepared to apply for any additional funding that might become available. This is a big financial win for SMSSD and SMR.
 - g) If Sanpete County has money left from the CUWC, they may approve additional Thad's Peak and SMR water expansion phases as they were engineered, approved, and submitted for bid several years ago.
 - h) A question was answered that when Sanpete County got out of the Central Utah Water Conservation District, there was grant money made available. If the money is not used this year, the County will lose any CUWC money that is not spent.
 - i) Also, in the SMSSD packet of information is an updated 2024 "Standards and Requirements for Skyline Mountain Resort Special Service District."
 - i) Roy Fox needs input from everybody – SMSSD Board, SMR Board, and SMSSD customers – as it is how SMSSD and SMR work together. It started with the Architectural Committee early on and has been adapted and updated several times for SMSSD to meet policies required by the State of Utah.
 - ii) If there are any changes that are needed, let Roy know and then he'll bring it to the next meeting.
- 5) Update on State Reporting Requirements
- a) Survey Employment & Payroll
 - i) SMSSD reports water use to the Utah Public Water supply.
 - ii) The State has separated the Employee Employment and Payroll report out of their other surveys.
 - iii) That Employment and Payroll form is included in the member packet.
 - b) 2022 Financial Certification
 - i) The SMSSD 2022 Financial Certification has been sent to the Office of the State Auditor.
 - ii) The 2023 compliance audit and financial audit will be conducted sometime in May and June.
 - c) Water Quality (CCR) Report
 - i) In the packet and online on the SMSSD website is the SMSSD CCR report on water quality.
 - ii) This testing is required monthly, is recorded, and is reported to the State.

- iii) The 2023 Consumer Confidence Report for SMSSD (20043) was delivered by posting it in the newsletter, on the SMSSDutah.com website, and reports are available at the SMSSD office.
- d) State Entity Registration
 - i) Also, in the member and board packets and online is the State Entity Registration that has been completed and was confirmed back by email on April 8, 2024.
- e) There was a Q&A and discussion on the timing of State Audits and the website posting of reports.
 - i) The last certification was for 2022. It was completed on time but recently confirmed by the State.
 - ii) In the process it was noted that SMSSD Privacy notices and other documents needed updating.
 - iii) Board Members are appointed every four years and there is required training and form filings.
 - iv) State Agencies are required to have public meetings and the parameters of meetings are complex.
 - v) Open and Public Meetings training is done and reported by every Board Member annually.
- 6) Report from SMSSD/SMR Liaison
 - a) Trent Andersen stated that the SMR board has some concerns with the SMSSD district expansion.
 - b) The resort as a whole and the SMR Board is opposed to that expansion until we can have some discussion to figure some of this out.
 - c) When asked if these were new concerns beyond the joint meeting the SMR and SMSSD Boards had on March 5, 2024, the response was that "From our other board, we have some concerns with the extension of the district, particularly with Don Meacham. And I would just like to leave it at that. So that this doesn't get heated and uncomfortable." The SMR understanding was that there was a condition to the agreements arrived at in the joint meeting on March 5, 2024.
 - d) It was said that Craig Godwin was asked to get a document that supposedly hasn't happened.
 - e) The discussion included the draft resolution the County Commissioners requested and whether SMR had any changes or additions to that draft (Resolution 2024-2 which was provided to the SMR and SMSSD boards the following week). Trent Andersen indicated the SMR Board needs time to review it.
 - f) Additional language was shared by Ferris Taylor, in draft form, for SMR Board's consideration, and a commitment was made to email that language to Trent Andersen for consideration by the SMR Board.
 - g) It was expressed that concerns remained with respect to the Water System Operating Agreement and the Licensing Agreement.
 - h) Attempts as to when the SMR response and proposed changes would be coming were not clear, as Trent Anderson stated that "At some point, they're (the County) going to deny our building permits and that would be very troubling for someone who's bought a building lot."
 - i) There was extensive discussion and Q&A on these issues for over 40 minutes and a recording of the details is available. In summary:
 - i) Trent Anderson and the SMR will officially give SMSSD something in writing.
 - ii) The timing of that will be as soon as they can, with the other SMSSD board members encouraging that a response of some type come within 2 weeks. Time is of the essence by the County.
 - iii) Everyone wants to make sure that all open issues are covered, especially so the Planning and Zoning people at the County do not believe they are counting building permits and intend to deny building permits at some point, based on some belief that SMSSD is some water shares short.
 - iv) All recognize that the County Commissioners on March 5, 2024, were favorably disposed (and strongly encouraged) a mutually agreed upon resolution to solve the SMR/SMSSD issues.
- 7) New/Old Business
 - a) A question was asked as to how many lots SMSSD is billing for water and at what rate, especially if a lot owner has a meter but has not hooked anything up to that meter. Roy Fox will get Todd Bird that information, with the request that Todd send an email reminder to Roy for the details.

- b) Building on that question, it would be great to compare who SMR is billing for monthly dues with who SMSSD is billing for water. That could benefit both SMR and SMSSD in assuring everyone is appropriately and consistently being billed by both organizations.
 - c) It was clarified on the financial reports that expenses for Smith Hartvigsen are for the SMSSD attorneys, including Craig Smith. That firm has worked with SMSSD from the beginning. Craig Smith has the legal basis for water law over many years to assure SMSSD complies with State requirements.
 - d) The other expense question was Hansen, Allen & Luce. They are the SMSSD Engineering firm. Their recent expenses included meetings with the Sanpete County officials to review details and get approval for the grant money from the CUWC for the Thad's Peak water system improvements.
 - e) A discussion also took place on the value of writing SMSSD-specific bylaws. Those are being worked on and will help clarify many of the difficult SMSSD and SMR conversations. There was agreement that those bylaws need to be a priority.
 - f) A point was made that it would help if at least one SMSSD board person actually lived full-time in SMR. That same point was strongly made by the County Commissioners earlier on April 16, 2024, for the next SMSSD Board appointments, as long as it aligns with the County Commissioners SMSSD minutes.
- 8) Open Time for Customers on Agenda
- a) Kevin Masson requested time to read a statement, not as an SMR Board Member, but in the context of one who gets passionate when the things talked about are where one lives and they can be threatened, whether it is real or not.
 - b) Kevin concluded saying "You cannot go off of what the County Commissioner said, because your decisions are based upon the contractual agreement that is the basis of what everything else has to offer."
- 9) Executive Meeting
- a) Minutes on actions taken will be separate for the SMSSD Executive Meeting and reported online.
- 10) Adjourn
- a) A motion to adjourn was made by Don Hunter, seconded by Ferris Taylor; and approved by the board.
 - b) Craig Godwin thanked everyone for their attendance, contributions, questions, and discussion.
 - c) The Meeting stood adjourned at approximately 6:40, with a number of 1:1 conversations continuing.
- After conversations wound down and members left, the SMSSD moved to an Executive Meeting.

Attachment A - Board Member's Starter Package

- State of Utah – Little Manual for Local & Special Service Districts
- Water System Operating Agreement
- Oath Of Office
- Annual Conflict of Interest Disclosure Form
- Oath of Ethical Behavior
- List of Classes that must be completed – Website <https://training.auditor.utah.gov/>
 - Open & Public Meetings Act (Must be completed every year)
 - Local Districts & SSD Board Member Training (each Term)
 - Annual training for conflict-of-interest disclosures
 - GRAMA training