

Minutes of the Interlaken Town Council
Monday, 07 March 2016, 6:30 PM
Interlaken Pump House

1. Call to Order:

Mayor Headley called the meeting to order at 6:34pm.

2. Roll Call - Members Present:

Larry Headley, Mayor

Greg Harrigan, Council Member

Sue O’Nan, Council Member

Lisa Simpkins, Council Member

Scott Neuner, Council Member

Bart Smith, Town Clerk was also present

3. Presentations:

Water Master Jim McCasland spoke about the bacteria problem that was detected in our water system in January. It was first detected in one house. After further investigation, it was discovered that the water coming into the house was clean, but it was being contaminated by the kitchen sink. He contacted the Health Department and told them it looked as though it was a contained situation. He came next month, retested, and found the bacteria was everywhere. The problem wasn’t severe enough to make anybody sick, but it needed to be dealt with. He contacted Dave Pugsley from the Rural Water Department and met with him and Herb. They put chlorine (T-Chlor) into the tank – it was an all day job, carrying buckets through the snow, up the hill, 3 gallons at a time. After chlorinating the water, they turned on the pumps to fill the tank, swished around the water, then shut down the pumps. Then they started draining the water from the top to the bottom through the fire hydrants. The water comes through the main all the way down. When someone turns on the water in their home, the chlorine makes it through their water system. The water was retested on February 25 and found to be clean. Five additional samples will be taken on March 8th.

The issue of erosion created by the flushing of hydrants was discussed. Because of this particular problem, it was necessary to drain the tank of 180,000 gallons of water, from a depth of 17 feet to 13 feet. While draining, they performed a chlorine test at each hydrant. When they saw chlorine at the hydrant, they moved onto the next lower hydrant. There are 32 hydrants. Only the hydrants that were located at dead end spots were done, a total of 8 hydrants. The State imposes a timeline on this work. As a result, the 8 hydrants needed to be flushed quickly, and because of the large volume of water, it created an erosion problem.

In the summer, each hydrant needs to be tested for pressure, the hubs need to be greased, along with other maintenance. For this procedure, the erosion problem would be less severe because less water is pumped out, and at a slower rate.

To reduce erosion, we could use a diffuser (Jim handed out a brochure describing the Pollard Piezo Diffuser for \$435). With a diffuser, one person can drain a hydrant. The water is greatly dispersed. This would work in many cases where erosion would not be a problem. For more sensitive areas, it would be necessary to use a hose to redirect the water flow. The hose would need to be moved constantly to avoid digging holes. Our

water pressure is about 250 lbs/sq-in down by the pump house. We would need two people on the hose and one on the hydrant (3 people total).

Another item Jim discussed was our need to find people who would volunteer to do meter readings in the spring and fall. It takes about 4-5 hours for the teams to read the meters. We need continuity in these teams so that we know where these meters are. We need people who know what they're doing. We need to send out an email to notify residents prior to the readings that the meter access should be cleared, any mud or water removed from the meter, and that their house number should be visible. Jim suggested each homeowner should be assessed a \$100 fee which is refundable if their meter is accessible and not underwater. If we have trouble finding the meter, or have to dig out or pump out the meter, \$50 would go to the meter reader. This would provide some incentive for the meter readers. In the past 2 years roughly half the households have not paid any attention to this. Jim has had to consult maps, use a metal detector, pump out water, and generally hunt for the meters. We also need to purchase another water pump to lend out to homeowners so they can clear out their meters by themselves.

This year we're due for a water sampling sometime before December 31, 2016. This will be done in August. We need to find out the cost for this and add this to our next year's budget.

Jim presented a brochure and bid from Midco Diving and Marine Services. Our water tank is 14 years old and it probably needs to be cleaned out. Midco gave us a bid to inspect the tank, patch concrete on the walls, and vacuum out the tank (\$2,775). Again, this needs to be put in next year's budget. Jim's report and attachments will be attached to these minutes.

Dave Morris spoke about helping with the erosion problem. He would be happy to help – just call or email him. He would be open to summer contract work. Dave would also be available to be the 3rd person on the hose provided he can get advanced notice. Pablo also offered to help with any volunteer work.

Lisa asked if we have the ability to send out a mass text out to the community. No one was sure. Greg suggested we improve our ability to recruit volunteers.

4. Call to the Public:

Pablo was present and asked about what he needs to move forward with his landscaping project (construction of a parking pad and a wall). Greg advised him to get a survey to his property. Larry noted that Summit Engineering located some monuments while they were doing the road corridor survey. This did not include all markers or monuments in the community, but just those necessary to survey our roads. Pablo also brought up his concern about pets and particularly noise from barking dogs. Greg spoke about our ordinances and enforcement and his commitment to solving this problem. The county still regulates this and a resident can call animal control but Greg would like for us as a community to be able to fine individuals who are not adhering to our pet ordinances.

5. Consent Agenda:

None.

6. Approval of the 2/1/2016 Regular Council Meeting Minutes:

Motion: Council Member Harrigan moved to approve the 2/1/16 Regular Council Meeting minutes.

Second: Council Member Simpkins seconded the motion.

Discussion: no discussion

Vote: The motion was approved with the Mayor and the Council Members unanimously voting Aye.

7. Public Comments and Questions About Annual Assessment and Budget

There were no additional public comments.

8. Mayor Headley's Resignation & Appointment of Mayor Pro Tem

Mayor Headley spoke about the history of the Council. All members of the Town Council ran unopposed so there was no need for a municipal election in 2015 and all members were seated in June 2015. Although all members of the Council began serving on June 1, 2015, their two and four year terms did not start tracking until January 1, 2016. Mayor Headley's two-year term would have expired December 31, 2017. He had planned on serving his term fully, but because of family issues and other circumstances, he has sold his house in Interlaken and has decided to tender his resignation as Mayor. The way the process works, upon Larry's resignation, the Council will advertise the open position for 2 weeks, and fill the position any time after by selecting the new Mayor from the applicants. Mayor Headley would like to appoint Lisa Simpkins, with the consent of the Council, as Mayor Pro Tem. She would serve in this role until the new Mayor is appointed by the Council.

Mayor Headley requested a motion to appoint Lisa Simpkins as Mayor Pro Tem.

Motion: Council Member O'Nan moved to appoint Lisa Simpkins as Mayor Pro Tem.

Second: Council Member Harrigan seconded the motion.

Discussion: There was no discussion.

Vote: The motion was approved with the Mayor and the Council Members unanimously voting Aye.

9. Appointments to Fill Potential Council Vacancies

Larry will continue to serve as Mayor until the conclusion of this meeting at which point Mayor Pro Tem Simpkins would take over the duties of the Mayor. If there are no other applicants for the position of Mayor, then Lisa Simpkins could take on the position that Larry vacated which is a two-year term ending on December 31, 2017. If Simpkins assumes the position of Mayor, her 4-year position on the Council becomes vacated. In November 2017, Mayor Headley's seat comes up for reelection, and this will be for a 4 year term commencing January 1, 2018. Whoever is appointed to fill Lisa's vacant Council seat will serve 2 years, until the next election in November 2017. Whoever fills that position from that election will serve a 2 year term commencing on January 1, 2018. This preserves the staggering of terms for all Council seats. Larry noted that a requirement to be on the Town Council is that you have to be a resident of Interlaken for a full year.

10. Appointment of Sue O'Nan as Treasurer

Lisa's appointment as Mayor Pro Tem leaves a vacancy for Treasurer. Sue O'Nan has agreed to fill this position.

Mayor Headley requested a motion to appoint Sue O’Nan as Treasurer.

Motion: Council Member Harrigan moved to appoint Sue O’Nan as Treasurer.

Second: Council Member Simpkins seconded the motion.

Discussion: There was no discussion.

Vote: The motion was approved with the Mayor and the Council Members unanimously voting Aye.

11. Research on Permitting and Building Process

Lisa Simpkins distributed a draft for the Town of Interlaken Building Agreement. Greg Harrigan asked where we stand with crafting an agreement with Wasatch County to handle the permitting and oversight of our building projects. Simpkins sent a draft of a resolution to our lawyers that will enter us into a shared services agreement with Wasatch County. The County would take care of all the building permits, inspections, and processing of fees. We still have an issue with the application review process. Wasatch County is too busy to review the plans for us. Lisa suggested we need to hire our own planner so that when an application comes before our planning committee, we submit it to this outside planner for review. The planner reviews the application and makes their recommendation to our planning committee. Once we give the applicant approval, they take their package to Wasatch County for permitting. We may want to use Summit Engineering for our planner or possibly Michael Henke from Midway. There may be a conflict of interest for Summit because an applicant may also be using them for their building project. On the other hand Michael Henke may be asked upon to testify on behalf of Midway if we find ourselves in a lawsuit regarding the Dutch Canyon Subdivision or Interlaken Drive. Lisa will speak to Henke regarding his role. Larry mentioned that Heber City may also have resources to fill this planning position. We also need to create a fee schedule and we need to get a response from our lawyers regarding our building ordinances so they can be completed.

Larry pointed out that the CCNRs are still in effect. It is still possible for an Interlaken resident to sue another party who is in violation of the CCNRs. The CCNRs sunset around 2022. It was suggested we set the date for our next meeting for codes and ordinances.

12. Resolution to Select Wasatch County Building Department for Permit Processing and Oversight

Our lawyer is working on this resolution to work with Wasatch County.

13. Pending Midway City Approval of Dutch Canyons Subdivision

Larry spoke about the history of Burgi Hill Ranches and the Freedom agreement. The Freedom agreement is a stipulated judgment that was the result of a lawsuit that contested an earlier easement for Interlaken Drive granted to Interlaken Estates. An important component of the Freedom agreement is that Burgi Hill Ranches is supposed to work with Interlaken to get the City of Midway to own Interlaken Drive from the entrance of Burgi Hill Ranches down to the intersection with Burgi Hill Lane. The issue at hand here is that Midway, through a PUD, granted to the public the right of access to Interlaken Drive when they had no right to do so. Larry pointed out that the cost of maintaining this road would be

very expensive, for example laying 2-3" of asphalt on a 27 foot wide road ½ mile long (upwards of \$100,000). The Dutch Canyons subdivision is a 25 parcel property being developed. In addition there is a 15 parcel property owned by Bret Walker which could be developed in the future. All that traffic could pass through Interlaken Drive because it is the fastest route to Midway. Subdivisions have to have 2 ways in/out. Larry strongly believes it is extremely important that we get Midway to take ownership of this Interlaken Drive. Two Midway mayors have suggested that Interlaken move their dumpsters and then Midway would help us out with Interlaken Drive. However, there is a separate agreement signed by the Midway Mayor and the local developers that agreed to accept the dumpsters we have in their current location in Valais. Now the Midway mayor wants us to move the dumpsters – they suggested we move it next to the Pump House. However this cannot be done as no such source of contaminants would be allowed near our water supply.

Another issue at hand is the money that the Burgi Hill Ranches HOA owes us for past maintenance costs for Interlaken Drive. Larry feels that more important than recovering this money (up to \$65,000) is to get Burgi Hill Ranches to team up with us to have Midway take ownership of the road.

Greg pointed out that if the city owns the road, they will send their traffic on the road and make that the secondary access for Dutch Canyons, and we would lose all leverage making further agreements with Midway and other developers (Zenger). The original plan for Dutch Canyons was that their secondary access would be through Dutch Fields. The Dutch Fields residents objected so they redrew the plan and made access through Burgi Hill. There can be no gate at the entrance of Burgi Hill Estates, so we don't really have a way to prevent traffic from any neighborhoods east of Burgi Hill travelling through Burgi Hill and onto Interlaken Drive. Midway has given initial approval to this development. It's to be discussed at the Midway Planning Commission meeting on March 16, and then goes to Midway City Council in early April. Greg stated that we need to put the brakes on that. He feels that the threat of litigation might force Midway to put the Dutch Canyons secondary access through Dutch Fields. Larry was concerned that regardless of the situation, we can't prevent the additional traffic from passing onto Interlaken Drive and that we should push Midway to own this road to avoid future heavy maintenance costs.

Greg feels that we shouldn't just give away Interlaken Drive, and that we may be able to use it as a bargaining chip to avoid having Dutch Canyons use Interlaken Drive as secondary access. Scott suggested that having access through Burgi Hill Ranches would be convenient for Interlaken residents travelling east, e.g. to Park City via River Road. Greg pointed out that there will be stop signs and traffic control devices in this section of road so that the fastest way will still be to use Interlaken Drive and Burgi Lane to head east to Highway 40. He also suggested that we may be able to solve the dumpster issue in the future by bargaining with Zenger when he develops his property. Possibly he would give us a place to put our dumpsters in exchange for access through Interlaken Drive. Also in the future, there may be a roundabout built on Interlaken Drive to give access to Zenger's

development. These are all pieces of the puzzle that affect the future plans and development of Interlaken Drive, and it's affect on Interlaken Town.

Larry suggested we have Greg Cropper help us by looking into the PUD that grants Midway an easement to Interlaken Drive, and write a letter stating our case against Dutch Field's use of Interlaken Drive. Greg Harrigan suggested that if Russ Watts and Midway want to craft a solution, by relocating the dumpsters and routing traffic through Interlaken, they will talk with Zenger and get things moving forward. It was decided that we tell Midway that we're dead set against them overburdening our road, because they don't have the right to, and they will have to go to their engineer, Russ Watts, and find another way. Greg summarized by saying we want this to start a conversation between all parties – Midway City, Watts, Burgi Hill, and Zenger, to find a solution that works for everyone, including the problem of the dumpsters.

14. Road Maintenance

Larry presented a proposal from Brian Meyers for repairing the damage done to the roads. Brian has worked for the Town previously, and has done quality work at a lower cost than other outfits. He built the retaining walls by Larry's house bidding \$17/sq-ft compared to \$20/sq-ft from the other bidders. The shoulders in the community need regular maintenance – they need to be cleared of vegetation and any drainage areas need to be cleared. Larry looked into erosion problems along Big Matterhorn Way. He sent a report to the Council from Mike Johnson of Summit Engineering stating that Big Matterhorn Way was the worst of the roads regarding shoulder issues. Bern Way was a close second. The solution involves elements of what Brian has been doing all along – catching the water in an 8” deep trench running along the shoulder. Larger rocks in the trench reduce the force of the water and allow it to percolate through rather than building force and causing erosion. Big Matterhorn Way got this treatment on the uphill-inside shoulder and it was very effective. We had a problem with erosion from the recent hydrant clean out because the diffuser directed the water to the other side of the road where the shoulder was not prepared in the same fashion. The hydrant flow cut under the asphalt and made a hole 6 feet deep at the intersection downhill from the hydrant. Now we need to rehabilitate the whole shoulder on this side of Big Matterhorn and the hole needs to be filled up. We may need to place 2 or 3 big stones at the base where the roads come together. The estimate is \$1950 for the repair of both roads. Larry asked the Council to approve this expense. It would come out of the road contingency fund since it is an unexpected, unplanned expense (eg not part of a 30 year cycle expense).

Motion: Council Member Harrigan moved to approve the expense for the road repair.

Second: Council Member O’Nan seconded the motion.

Discussion: There was no discussion.

Vote: The motion was approved with the Mayor and the Council Members unanimously voting Aye.

Larry suggested that we appoint a road master to look over the long-term issues of road maintenance and safety. He thought Greg Harrigan would be a good fit.

Larry is very concerned about Bern Way – a potentially fatal accident could occur without guardrails. We have a cost effective solution – cable style guardrails that perhaps Brian Meyers could install for us: metal posts, sunk in concrete with cables (much like on Highway 40). They are less obtrusive looking and you can push snow through them. The Brauers previously did some research and created a map showing the most vulnerable areas in the community and presented it to the Council. This may be a 5 to 10 year project. It makes sense to do a little bit every year, starting with Bern Way. There is \$10,000 per year in the budget going into the Reserve fund for roads, but this money is not designated for capital improvements (like guardrails and rock walls) but for maintenance and repair. Rock walls would require a clean out of debris (behind the wall), which would be considered future maintenance. Weeds need to be sprayed – shoulders and walls need to be cleared of vegetation. The shoulders need to be periodically raked and packed down. These are summer, annual types of maintenance. We need to have someone (road master or committee) to oversee these issues. Jim Hadden has been helpful in the past, tracking erosion issues during the rainy season. Jim is still interested in helping. When rebuilding the shoulders, you need a sump here and there to capture the water and have it percolate out slowly to the environment.

Regarding potholes: when someone is building a house, there will be a contractor who's laying asphalt for the driveway. Talk to them about repairing the potholes and tie in with their work to avoid paying a start up fee (could be \$1500).

Crack sealing is done every two years. For seal coating, Top Job is the preferred contractor – they use a product called Axys which carries a 5-year warrantee. They did an estimate for all our roads that came in less than Ridge Rock. Other contractors may also use the Axys product. Larry recommended we call the Axys manufacture and see who else uses the product in this area if we want a 2nd bid. He suggested we call Top Job and have them come out and look at the roads. Last year (summer 2015) we did the crack seal for around \$4K. In 2017 we need to do seal coating (\$55K to \$60K) and another \$4K would take care of the crack seal. This would pretty much deplete our reserve account. In 8 years when we pay off our water system bond, we should take the \$75K formally used for the bond and put it into our reserve fund (eg don't reduce the annual assessment). If we continue regular maintenance with crack sealing and seal coating, we won't ever have to do asphalt overlay. An asphalt overlay would be very expensive, perhaps necessitating us to float a bond. We need to find a way to fund capital improvements, like rock walls and guardrails, because these are not paid for through the reserve fund (designated for cyclical maintenance). The fund set up for this purpose is the Capital system repair and replacement fund. We could use our 1% sales tax and B&C road tax to add to this fund. We also want to fund a new reserve study – the last one was done in 2012. It needs to be updated every 3 years. It would give us confidence that our financial projections reflect current costs.

15. Financial Matters

Review of Current Bills:

Larry submitted an expense report for his travel expenses related to the Water Bond (54 cents per mile). Going forward Lisa requested a monthly expense summary report to be presented at the Council meetings. Bart will coordinate this with Kristine. We also need the quarterly report to be sent out to the community.

Refund by DWB of Costs of Bonding and Transfer of IMWC Assets and Liabilities:

Larry spoke on this issue. We should get a refund of \$25K from DWB for the costs of the bonding process and transfer of IMWC assets and liabilities to the Town. We need to account for all expenses related to the closing of the bond. It's up to us to file Exhibit B-1 with DWB to account for these costs. Contact Nathan Hall for help in filling out this form. Our bill from Eric contains items for costs related to the bond as well as costs for general matters. Larry suggested that we pay the portion of the bill for general matters and delay payment on the portion related to the bond. Lisa will look into gathering all the invoices from Summit Engineering, ETJ Law, Bill Prater (DWB attorney), the Deputy Clerk Bond (a requirement of the Water Bond) and other expenses related to the bond and submitting the B-1 exhibit. It may require an appendix to accurately itemize our costs. When you add up all our costs, it comes to \$25,904.68, so we should be getting the allotted \$25,000 back from DWB.

Update on Town Assessment:

Town Clerk Bart Smith reported on the 2016 Town Assessment. We have received 76 checks for \$90,792.28 as of Sunday March 6, 2016. The total billing sent out including road assessments, water assessments, past due balances and credits was \$217,530, which means we've received 42% of the total billing. The delinquency date is March 13. Greg suggested we send out an email saying that assessments will be delinquent after March 13 and mentioning the \$25/month late fee. Smith outlined the process for handling the assessment payments. Smith picks up the checks at the post office and scans the envelope, the invoice stub, and the check so we have a complete record of what we received in the mail. The checks are bundled together in batches. Smith brought up the issue of overpayments. The Talbots paid \$1200 months ago, so we owe them a balance of \$88. The question is do we reimburse them through a check or just carry a positive balance on their account? The Council decided that we should reimburse all overpayments. Smith has received calls from some who owe past due amounts. We haven't heard from the Duffys who owe a lot in past due amounts.

We haven't billed for 2015 overage fees for water. Greg suggested that we waive these fees if we can't get the correct information. His past overages ranged from \$4 to \$8 over the years. Smith will try and get the overage numbers from Mac, but he'll drop it if it's a challenge to bill these out.

Potential Property Tax to Fund Road Maintenance:

Larry spoke about this issue. Our annual road assessment is \$65,000. Rather than collecting this through our annual assessment, we have the option of having Wasatch County collecting the portion of our road assessment through a County Property Tax. If an owner is behind payment for 5 years, the County can auction off the property. The County collects property taxes for no additional charge – it appears on everyone’s tax bill. The Council decided this was a good idea. There is a timeframe (May?) in which we have to fill out a document to apply for property tax next fall. We’re also required to post a public notice and have a public meeting. We have to work on our budget in the same timeframe. Our budget has to be completed by July 1. Note that the Council votes on the issue – it is not a public vote. Lisa has the document that describes the procedure for implementing the property tax.

Larry noted that the County tax bill covers the prior year, for example the bill the owner receives in October 2015, and pays in November 2015, covers County taxes for 2015. We are ideally set up for this because our fiscal year budget can handle the receipt of funds during November of the calendar year. This is how we currently operate – our January 2016 assessment covers our fiscal year budget, from July 1, 2015 through June 30, 2016.

Brent Titcomb is the County Clerk who can help us with the process. He can tell us what tax rate to plug in to get the correct assessment and help us with the process.

Regarding legal matters, Larry suggested that if we have trouble getting hold of Eric Johnson, we should call David Church (his partner) regarding our legal issues. This may put gentle pressure on them to address our concerns in a timely fashion.

State Payment of 1% Sales Tax Revenue and B&C Road Tax Monies:

Lisa reported that we receive this revenue every other month. In December we got \$1,229 and \$1,796 in February. We need to do a census to get an accurate number for our Town. The current population of 176 is probably low. Our population would include renters and anyone who lives here. Question – is it fulltime residents? We may need volunteers to do our own canvas (census). The state can provide the necessary forms.

Discussion of Increase in Pay for Water Master:

Larry believes that the Water Master is insufficiently paid. A professional would charge around \$40,000 per year. Our previous Water Master, Ed Little, was worn down by the work. Mac is paid \$700 per quarter and Herb is paid \$600. Larry thinks \$10K to \$12K annually is more in line with the requirements of the job. He suggested we find out what other communities pay their Water Master. This is an issue to consider when we craft our budget. Scott suggested we research what a professional (dedicated) water master charges so we can compare.

Smith suggested we could pay Mac on an hourly basis. Larry countered that it would make the budget process more difficult. Regarding the budget – this year

was experimental and we may need to adjust our assessment next year to cover additional expenses. It also really behooves us to do our own census – we could possibly double our sales tax income and B&C road tax income.

16. Public Comment

There was no further public comment.

17. Council Comments

Council Member O’Nan brought up the issue of the March 16 Midway Planning Commission. Should we ask people from Interlaken to attend the meeting? It was decided to talk to Henke first before engaging the Interlaken community.

The meeting closed with comments from the Council thanking Larry for all his work for the community. Larry recounted some of the history, trials, tribulations, and victories from his years of service on the IMWC and as the Mayor. The Town is deeply indebted for all his service.

Smith suggested that we put out a monthly newsletter to engage the community and to solicit help from volunteers.

Simpkins asked about updating the website. Smith offered to update the site as soon as the assessment work slows down.

There was further discussion about Burgi Hill owing us 8 years of maintenance costs. Greg felt this is another reason we should hold onto Interlaken Drive until we collect from Burgi Hill.

Smith was contacted by ULTC requesting contact information for our officials and appointees to be included in the ULTC directory. It was decided to give them the town’s PO Box for our addresses, the town phone# for our phones, and individual emails for Council members and appointees.

18. Adjournment

Council Member Simpkins moved to adjourn the meeting. Council Member O’Nan seconded the motion. The motion passed unanimously.

The meeting was adjourned at 9:17 PM.