

Minutes of the Interlaken Town Council
Monday, 07 December 2015, 4:00 PM
Interlaken Pump House

1. Call to Order:

Mayor Headley called the meeting to order at 4:15 pm.

2. Roll Call - Members Present:

Larry Headley, Mayor

Greg Harrigan, Council Member

Herb Bowen, Council Member

Council Members Lisa Simpkins and Sue O’Nan were absent

3. Presentations:

There were no guests or presentations scheduled for tonight’s meeting.

4. Call to the Public:

Bart Smith, Interlaken Town Clerk, was the only member of the public present. His comments are included under agenda item 8., Town Clerk’s report.

5. Consent Agenda:

None.

6. Approval of Agenda or Changes:

Motion: Council Member Harrigan moved to approve the agenda with no changes.

Second: Council Member Bowen seconded the motion.

Discussion: There was no discussion.

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

7. Approval of 11/16/2015 Minutes:

Motion: Council Member Harrigan moved to approve the minutes.

Second: Council Member Bowen seconded the motion.

Discussion: no discussion

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

8. Town Clerk’s Report (Bart Smith):

a) Town Contact List

Deputy Town Clerk Kristine Olsen has generated a contact list based on Sandy’s list from IMWC. This contact list has errors, some of which were identified when Mayor Headley sent out emails in August to notify IMWC shareholders of the annual 2015 meeting as well as other mailings. Kristine flagged these errors on the list and Town Clerk Smith will address these errors by calling individuals and updating email and mailing addresses. Mayor Headley added that we should strongly encourage individuals to receive notices via email, to avoid having to mail notices to all 184 residents. Mayor Headley discussed the urgency to have a complete contact list available in order to send out the assessments in January. Town Clerk Smith estimated it would take 7-10 days to complete the list, depending on the response time of people on the list. The billing requires mailing addresses, most of which are current. Council Member Harrigan offered to help update the addresses of the newer property owners, and suggested the County Recorder’s Office would be a good resource. Mayor Headley suggested we contact Brent Titcomb, who is

in charge of that office. Mr. Smith would also like to add the physical Interlaken Town address to the contact list. These could be taken from the tax records.

- b) We need to get the keys to the old IMWC PO box (#399) so we can close that box out and forward the mail to the Interlaken Town PO box (#1256). Mayor Headley gave the key for #1256 to Mr. Smith. Mayor Headley has a key to #399 and Sandra Soper has the other key. Mr. Smith will get the key from Sandra, return it to Mayor Headley and he will close out that box and have all mail forwarded to PO Box #1256.
- c) The question was raised regarding who can sign checks. Only Town Council Members can sign checks.
- d) Mr. Smith reported that Kristine has done a lot of cleanup on the IMWC accounts and is still working on some details. She has all the books and checks from Sandy. Mayor Headley just sent the November statements to Kristine.
- e) Customer Balance Summary – Mr. Smith presented the Customer Balance Summary prepared by Kristine. The sum of outstanding IMWC assessments for 2015 as of November 10, 2015 was \$16,457.28. This is money owed to the Town for past due 2015 IMWC accounts. Other customers have paid in advance for 2016. These accounts appear in the Customer Balance Summary as negative (with parentheses) numbers totaling -\$4,170.07. The sum of these two numbers represents the net customer balance as of November 10, 2015, equal to \$12,287.21.
In addition to the past due accounts for 2015, some homeowners owe the Town for water overages. The overage charges are not reflected in the balance summary. Individuals have not yet been billed for overages. We would like to send the bill for the overage when we send the assessment in January. The customers will receive an itemized bill listing the 2016 assessment and as well as the 2015 overage charges.
- f) We need to set up reserve accounts at the bank – one for water, one for roads. Mayor Headley will set these up and transfer \$1000 into each of these accounts from the operating account to open them up. Mayor Headley pointed out that as soon as we close on the bond, in December, we will fill up our coffers because we are making a \$75,000 payment on the bond on January 10, 2016.
- g) We discussed the process for tracking incoming payments for the annual assessments and overages in January. All money might be initially deposited into the enterprise fund for the water system. Money for the roads is then would be transferred from the enterprise fund into the general fund – what we used to call the operating account. These are the two main accounts, representing water and roads. From each of these funds, money will be dispersed for various expenses and the reserve funds. Mayor Headley brought up the point that we may want to ask for two separate checks for our annual assessment– one for the water system maintenance and delivery and one for the roads. The owners will receive two bills – one for water and one for roads. We (Greg, Larry, Bart, Lisa) need to discuss this further and establish the billing strategy.
Timing for the billing was also discussed. The billing will be sent out on Friday, January 8, 2016. It will be past due on January 26, 2016.
- h) Town Ordinance #3 – The Water Rate Ordinance states:
“The Clerk is directed to publish a copy of this ordinance in the newspaper and this ordinance shall take effect as of January 1, 2016.” Mr. Smith asked for verification that this was taken care of. Mayor Headley verified that Dan Davis from our attorney Eric Johnson’s office had this published in the Wasatch Wave.
- i) File cabinet for the Town records:

It was suggested that the Town purchase the mid-range letter sized file cabinet from Staples in black (list price \$249.99). Mr. Smith will purchase this as well as other office supplies and be reimbursed by the Town.

j) Notary – the state requires that the Town Clerk become a notary. The notary commission must be renewed every 4 years. Costs: \$45 application fee, \$30 testing fee, approximately \$50 for a 4-year \$5,000 notary bond. Mayor Headley suggested Mr. Smith contact Eric regarding the bonding. The Town will reimburse Mr. Smith for these costs.

k) Utah League of Cities and Towns

Annual dues are based on the size/revenue of the Town. Interlaken’s population is listed by the State as 176 primary residents for now. We may revise this after completing a future census. We may also need a financial feasibility study. Mayor Headley suggested that the IMWC feasibility would be adequate since the Town is responsible for the same roads and the same water system. Mayor Headley suggested we get email addresses for our town positions instead of using our personal emails. Mr. Smith will contact our web master to see if this is a possibility with our current web server.

9. A RESOLUTION AUTHORIZING \$642,000 WATER REVENUE BONDS, SERIES 2015 TO FINANCE ACQUISITION OF THE DRINKING WATER SYSTEM OF THE INTERLAKEN MUTUAL WATER COMPANY, AND RELATED MATTERS.

At the last council meeting the council reviewed the draft of this resolution. The draft has been updated to include the actual bond amount of \$642,000. The 1.8% interest rate and other details of the resolution have not changed. Mayor Headley requested a motion to adopt Resolution No. 2015-12-07, a resolution authorizing \$642,000 revenue bonds, series 2015, to finance acquisition of the of the drinking water system of the Interlaken Mutual Water Company, and related matters.

Motion: Council Member Bowen moved to adopt Resolution No. 2015-12-07.

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.

All four copies will be signed and sealed by the Mayor and Town Clerk and sent to Dan Davis at Eric Johnson’s office.

10. AN ORDINANCE ENACTING WATER SYSTEM OPERATING REGULATIONS INCLUDING COLLECTIONS AND ENFORCEMENT AND RELATED MATTERS.

Mayor Headley highlighted the following text from this ordinance that addresses delinquent accounts:

“All bills rendered for water service or any other valid charge made by the Town shall become past due on the 26th day of each month. After 30 days, the Town shall give notice that the account is past due and that the service may be discontinued unless payment is made in full or appropriate arrangements for payment are made.”

This means the assessments will be mailed on January 8, 2016 and deemed past due if not paid by January 26, 2016.

“After 30 days, the Town shall give notice that the account is past due and that the service may be discontinued unless payment is made in full or appropriate arrangements for payment are made. All past due accounts are subject to interest and late fees as set forth in the Fee Schedule.”

This means that if the bill is not fully paid on February 25, notice of a 30-day delinquency will be given and that service may be discontinued unless payment is made in full.

For the purpose of this ordinance, Mayor Headley suggested we set the late fee as \$50 and interest at 1% per month. We need to discuss and set the Fee Schedule with the town council sometime in December. Then at the next council meeting, January 4th, we will adopt a fee schedule.

“If delinquency continues for 60 days, water service will be discontinued after a final 24 hour delinquency notice is hand delivered to the service address by the Town. After the expiration of this 24 hour notice, the Town may disconnect the water service associated with the delinquent account and may seek any or all remedies allowed by law to recover the delinquent amount. The disconnection and reconnection fees set forth in the Fee Schedule shall apply to any such disconnections. In the event an owner owns or controls more than one lot, the Town shall apply any payment first to any and all undeveloped lots and then to developed lots.”

This means that the Town can discontinue water service 24 hours after a final notice of the 60-day delinquency is given by hand to the service address.

Our lawyer, Eric Johnson, stated that it’s unclear under state law that we could lien a property for a past due utility bill. The Town should nonetheless file a lien. However, if the owner challenges our lien, we should let it go. We can’t deny an owner water rights, because owners do not now own water rights and never did. It is the town that will own all water rights, just as IMWC formerly did. We also cannot deny a lateral from going to their lot. So discontinuing service for delinquency of a current water bill is probably the best we can do. Fines and compounding interest on past due bills may be the biggest incentive towards paying the bill.

Mayor Headley requested a motion to adopt the Interlaken Town Utah Final Bond Resolution and Water Systems Policies and Enforcement Ordinance.

Motion: Council Member Harrigan moved to adopt the Water System Ordinance

Second: Council Member Bowen seconded the motion.

Discussion: There was no discussion.

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

All four copies will be signed and sealed by the Mayor and Town Clerk and sent to Dan Davis at Eric Johnson’s office. This Ordinance needs to be published – this will be taken care of by Dan Davis.

11. STATUS OF 2015 ROAD MAINTENANCE/REPAIR.

The road repair for 2015 is done. The billing from Brian Meyers will be equal to what we agreed upon. He will give us a separate bill for the work he did on the McLaughlin property that we will pay for and then deduct the cost from their \$2000 road damage deposit. Mayor Headley requested a quote from Brian to install a guardrail, possibly next year. There was some discussion about possibly raising the road damage deposit in the future to deal with future construction projects and potential damage to the roads.

12. PROGRESS ON CODES AND ORDINANCES.

We need to adopt the Fee Schedule as a priority along with Titles 1,2,9, and 11. We need to give 10 days notice for a public hearing to adopt the ordinances. Our next council meeting is January 4, 2016. The building moratorium ends on January 13th. We could schedule a public hearing on January 11th. Mike Johnson from Summit Engineering said we can use someone from his staff as a planning commission of one. This would avoid the litigation that could come from the council being the planning commission. The owner would be responsible for the fee for this planning commissioner. Mayor Headley suggested that Mr. Smith contact Eric's office to get the correct format and timing for posting the public hearing notice and ordinances in order to meet a public hearing deadline of January 11th.

13. PUBLIC COMMENT.

There was no public comment.

14. COUNCIL COMMENTS.

There was a discussion regarding lot line adjustments. This needs to be addressed as we complete our codes.

15. ADJOURNMENT.

Council Member Harrigan moved to adjourn the meeting. Council Member Bowen seconded the motion. The motion passed unanimously.

The meeting was adjourned at 5:40 PM.