

Minutes of the work meeting of the Town Council of the Town of Apple Valley, Washington County, Utah that was held on the 1<sup>st</sup> day of September, 2011 at the Smithsonian Fire Department Building, 1777 N. Meadowlark Dr. Apple Valley, Utah.

1. The meeting was called to order at 6:01 pm.
2. The Pledge of Allegiance was led by Mayor Moser.
3. Roll Call: Trevor Black, Evan Brown, Dale Kingsley, Mayor Moser, and legal counsel, Gary Kuhlmann were present. Kevin Sair was excused. Town Clerk Nathan Bronemann took minutes.
4. Declarations of conflict of interests.  
  
None Stated.
5. Training and discussion related to service districts with Rod Mills and Gary Kuhlmann.

Gary Kuhlmann explained the steps involved in the creation of a special service district. Those include the Town Council adopting a resolution stating the intent to create a district. That was done with Resolution 2011-11. Then there needs to be notice and a public hearing, which took place on July 14<sup>th</sup>, 2011. Then there is the protest period, which has passed. If there are adequate protests, the district fails. As there were not adequate protests, the Town can decide to not create the district or to create the district. If the Town decides to create the district, a resolution would need to be signed doing so. After that, the board of the special service district is under the control of the Town Council. The Town Council can limit the authority of the board of trustees of the special service district. After 30 days the Town must send the information about the SSD to the Lieutenant Governor. The Lieutenant Governor will then review and send back a certificate of creation. The Town then sends information to County Recorder to be recorded. At that point, the SSD is created.

After created, the Town Council will appoint the board of the SSD who will then create its own rules and bylaws under the control and direction of the Town Council. If the Town Council does not like the way a board member is acting, they can remove and replace them or revoke specific authorities.

Rod Mills said that the SSD that is proposed would have to function, in essence as a subdivision of the Town.

Gary Kuhlmann said that the members of the board are not allowed to set their own pay and are only legally allowed a very small compensation.

Evan Brown expressed concern over the authority and autonomy possessed by some of the other service districts.

Gary Kuhlmann said that it all depends on how they are set up and regulated by their creators. He added that equipment and other capitol assets can be shared under a contract. Also, an SSD is protected legally from the seizure of certain capitol assets if a debt is owed.

Mayor Moser added that if the SSD fails financially, the Town would not carry that liability.

Rod Mills said that the way that Gary Kuhlmann has written the resolution is very wise.

Rod Mills addressed the formation of the leadership of an SSD. The first step would be to appoint the trustees and he recommended staggering their terms of appointment. Also, officers would be appointed. He recommended inviting those individuals that are potential candidates for the SSD trustees and officers to the work meeting where the protocols are established. He

said that it is very important to have public outreach programs and information programs to educate the public so that they understand what is happening and why. This will help eliminate misinformation and discontent. He said that the Town should develop funding and regionalization strategies. After the board of trustees and all officers have been selected and appointed, training sessions should take place to guide the vision and set the standards, policies and procedures of the SSD. He suggested remaining as transparent as possible to keep the public in the know. He also suggested setting up a reporting procedure for financial accountability. Finally, there is State mandated training required with the Utah Association of Special Districts and the State Auditor.

Evan Brown asked if there was a deadline on creating the SSD at this point.

Both Gary Kuhlmann and Rod Mills agreed that there wasn't a specific deadline.

Evan Brown said that if the SSD wasn't created and the Two Bears deal didn't go as planned the Town should be able to purchase the water companies.

Rod Mills added that many of the Federal funding programs would not be available in the future as some of the programs may be cancelled. He added that the bulk of the State funding originates from the Federal government.

6. Adjournment

Motion made by Evan Brown to adjourn the meeting. Trevor Black seconded the motion. Vote: Trevor Black-yes, Evan Brown-yes, Dale Kingsley-yes, and Mayor Moser-yes. The motion passed 4/0.

Meeting adjourned at 6:57 PM.

Date approved: \_\_\_\_\_

ATTEST BY: \_\_\_\_\_  
Nathan Bronemann

\_\_\_\_\_  
Richard Moser