



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

Administrative Control Board
Meeting Minutes
March 14, 2019

Board Members:

Mike Kobe
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

Staff:

Scott Morrison
Marti Gee
Lisa Hoffman
Chris Braun
Steve Anderson

Summit County Attorney:

Dave Thomas

Guests:

Leanne Miller - Hidden Creek Homeowners
Association

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on March 14, 2019 at the Silver Summit Academy located at 6407 N. Business Park Loop, Park City, Utah, 84098 at 6:00 p.m.

- 1. Call to Order and Public Input:** Mike Kobe called the meeting to order at 6:02 pm. Leanne Miller attended the meeting, she is from the Hidden Creek Homeowners Association. She receives water from the Community Water system. Ms. Miller stated she would like to hear an update on the Community Water system. Mike Kobe suggested we move to that portion of the meeting for Ms. Miller. All of the board members agreed. *The update on Community Water is provided in Agenda Item 11b below.* Following the update, Ms. Miller voiced the opinion of the Hidden Creek Homeowners Association that the Homeowners Association is anxious to complete the Annexation process and have Mountain Regional be their water provider.
- 2. Executive Session – Personnel:** Motion made by Bob Neumeister to move into Executive Session for Personnel. Seconded by Karin Wilson. All voted yes, motion carried.

3. Move into Open Session: Motion made by Karin Wilson to move out of Executive Session to Open Session. Seconded by Tim Dougherty. All voted yes, motion carried.

4. Consent Agenda:

- a. Approval of the Feb 7, 2019 Administrative Control Board Meeting Minutes
- b. Approval of the January 2019/ February 2019 Check Register
- c. Consideration of Approval of P.O.
- d. Loughlin Proposals -Tank Well
- e. Aqua Proposal - 2019 Projects
- f. Notice of Intent to Award Construction Contract - Lang Equipment, LLC
- g. Other

Motion made to approve the Consent Agenda Items made by Tim Dougherty. Seconded by Karin Wilson. Ian Schofield abstained. Four votes yes, motion carried. Mike Kobe requested proposals be discussed as a separate agenda item in the future.

5. Questions on Department Updates:

Scott discussed his meeting with Tom Fisher about Snyderville Basin Special Recreation District and Mountain Regional Water (MRW) sharing a Public Information Officer to offer consulting services and handle press releases to allow staff of the special districts to direct their attention to solving problems during an emergency or sensitive situation. There was some discussion on this topic and Scott stated he would investigate the County resources and discuss further with Tom Fisher and Brian Bellamy. Mountain Regional has begun to test the Weber River water for Cryptosporidium per Utah's Division of Drinking Water requirements. There has been seven freezing disruptions at the Weber Basin Water Conservancy District intake on the Weber River this winter. Scott has discussed this with Dave Ure. Dave sits on the Board at Weber Basin.

6. Financial Management: Lisa Hoffman

- a. Lisa Hoffman reported that in January / February 2019 Financial Report: Lisa Hoffman reported that through February 2019, change in net position (net income/(net loss) is (\$172,072) – which is \$244,898 better than projected. This positive variance resulted from higher revenue that exceeds projections by \$114,634 (10.0%), primarily due to higher retail water sales of \$69,963 and higher interest earnings of \$35,309 (due to higher cash balances than budgeted). Additionally, expenses are \$130,264 (8.3%) lower than projected, primarily due to lower repair and maintenance costs. total cash increased \$51,070 (0.4%) to

\$14.41 million during February 2019. The current Operating Cash & Reserves balance of \$6.10 million represents a healthy 316 days reserves compared to 220 a year ago. Debt Reserves Held by Trustee increased \$286,803 (29.5%) from transfers to make scheduled interest and principal payments during 2019. Debt Reserves Held by District decreased \$96,837 (-3.0%) in large part due to the \$175,000 transfer out of impact fees for debt service. Total cash has increased \$2.66 million (22.7%) from February 2018. Through February 2019 there were 9 new water connections and \$77,291 in impact fees. The 9 new connections is lower than the four year average of 14.

Total impact fee collections are down 43% as compared to the four year average, however close to what was collected in 2018. The average impact fee per connection is right at the four year average. Year-to-date water consumption by District customers of 161 acre feet was 7.2% above the average over the past four years of 150 acre feet, this is primarily due to the large residential customer class, as it appears occupancy has been higher so far in 2019. Year-to-date Park City usage was 22.2% higher than the four-year average as they continue to take more water than they have historically. Summit Water has taken 209 acre feet year-to-date, which is 9.1% below the three-year-average of 230. It is anticipated Summit Water will make up this difference in the second half of 2019 and take their full contracted amount of 800 acre feet.

The District's largest current Capital Project, the Community Water Infrastructure project, is currently on hold as the annexation process continues to be delayed. The District has spent approximately \$33,859, which is primarily related to \$27,000 of line work performed this summer in an area of the project that was already under construction. The meter program is still underway and we anticipate contracting for the additional \$250,000 of meters in the coming months. The Silver Creek "EPA Line" is still under review by the EPA, we anticipate an answer soon regarding approval for this work. Vehicles currently on order include a 2019 RAM truck for \$28,992 and a dump truck at \$163,804.

- b. MRW Semi-Annual Cash Report: Lisa Hoffman reported MRW administrative policies require the Chief Financial Officer provide the control board with a semi-annual cash report. This report is for the period ending December 31, 2018. The District's cash position has increased the past three years due to hot dry summers, and a much-improved housing economy. (Report Attached)
- c. Other:

7. Strategic Plan Update: Scott Morrison

The Board asked questions about the strengths and weaknesses of the organization. Scott stated that public relations of the District has been a weakness. Scott and Staff would like to update the utility water bill to provide more information on the bill about the customers water usage. The Consumer Confidence Report is another tool that the District is going to produce in-house and make it a document that will provide important information to the Customers. Water Conservation and Sustainability are important to MRW and information about MRW's progress needs to be given to the public. Newsletters twice a year can inform the public of what MRW is doing in that regard. The Newsletter can also provide information about watering ideas and other conservation topics in spring and winterization in the fall. Leadership development of staff is also a high priority, training and conferences can assist with the leadership goals.

Dave Thomas thought that the Strategic Plan should be sent to the Summit County Council. The Board requested a acronyms sheet for the Strategic Plan. The Board also suggested that all departments need to list their five priority goals for the year.

8. Impact Fee Facilities Plan and Analysis Process Update: Scott Morrison Scott discussed with the Board the proposed timeline for the Impact Fee Facilities Plan and Analysis process. Zions Bank will be assisting MRW in preparing the Impact Fee and certifying the fees. Scott recommended maintaining the current methodology for the Impact Fees which are based on the square footage of the home. Zions also had feedback to staff that streamlining the impact study would be important. The District will need to update the project list. Aqua Engineering is reviewing the ten projects expected to be included in the 2019 plan and providing costs for the projects. The timeline for completion of the Impact Fee Facilities Plan will be the beginning of June.

9. Annual Board Member Training: Dave Thomas (Attached)

10. Elections of Officers for MRWSSD:

- a. Chairman of the Board: Mike Kobe
- b. Vice Chairman of the Board: Bob Neumeister
- c. Audit / Finance Committee Chair: Karin Wilson
- d. Audit Finance Committee: All Board Members
- e. Conservation Committee Chair: Tim Dougherty
- f. Two Board Members Personnel Committee
 - i. Board Member: Ian Schofield
 - ii. Board Member: Tim Dougherty

- g. District Clerk for 2019 - 2020: Scott Morrison
- h. Treasurer for the Board 2019 – 2020: Lisa Hoffman
- i. Approve a Credit Limit for Employees: \$100,000.00

Motion made by Bob Neumeister to appoint all of the above positions to the 2019 Mountain Regional Water Special Service Board positions. Seconded by Ian Schofield. All voted yes, motion carried.

11. Legal: Dave Thomas

- a. Consideration of Approval of Recommendation the Governing Board of Mountain Regional Water Special Service District to Annex SL-I-2-40 into Mountain Regional Water Special Service District:

This is a lot adjacent to Woodside Development in Silver Creek Estates. Motion made by Bob Neumeister to Recommend to the Governing Board of Mountain Regional Water Special Service District to Annex SL-I-2-40 into Mountain Regional Water Special Service District. Seconded by Tim Dougherty. All voted yes, motion carried.

- b. Update on Community Water:

Dave Thomas reported that there are still Easements needed from Hidden Creek Homeowners Association and four easements needed from TCFC and Vail. He is also still waiting for comments on an Interconnect Agreement for an interconnect between Summit Water Distribution and Community Water/Mountain Regional.

Lisa Hoffman continues to wait for canceled checks for improvements that TCFC and Community Water are requesting reimbursement for from the Division of Drinking Water loan. Dave Thomas spoke with the Hidden Creek Attorney and there are just minor changes that will be desired in the easement agreement. Julie Cobleigh and Scott Morrison met with the new Hidden Creek Homeowners Association president and she seemed comfortable that the easements can be worked out. TCFC needs to assure the Hidden Creek Homeowners Association that TCFC will not build anything else on the easements that they gave to Hidden Creek Homeowners Association.

Dave conveyed the sense of urgency to Larry White from TCFC regarding the 4 easements needing approval from Vail. Vail had a condition in the easements that MRW has to give a 10 day notice to access easements on the mountain that

hold all of the facilities for Community Water. MRW cannot agree to that condition when operating the Community Water facilities.

- c. Other: Dave Thomas updated the Board on the progress of the Franchise agreements for Summit County. He stated that the Council will schedule a work session to discuss the possibility of two classes of Franchises Agreements. Class A will pay their fees in the encroachment permits, and will have priority in the rights of way with Summit County; Class B would be a revocable license. This is ongoing and Dave will let the Board and Scott know when the work session is scheduled for the Summit County Council to discuss the Franchise Agreements.

12. General Manager Comments:

- a. Recent Meeting Update with David Ure & Tom Fisher: Scott reported that he had a very productive meeting with David Ure. Scott talked to him about the freezing issues at the intake on the Weber River and also discussed the importance of a Public Information Officer. Scott also talked about his meeting with Tom Fisher the Summit County Manager. They discussed the concept of a Public Information Officer to represent the Special Districts. They also discussed MRW's recent completion of their Strategic Plan and the kick-off of the Impact Fee planning process. Scott will follow up with Tom about the questions that the Board had about the Emergency Management team that Summit County has.
- b. House Bill 411 Community Renewable Energy Act: Scott updated the Board on Summit County's involvement in House Bill 411 which will lead to a renewable energy rate with Rocky Mountain Power. MRW is part of Summit County's commitment to use 100% renewable electric sources by 2032.
- c. Other: Scott informed the Board about a tour conducted for Utah's Division of Drinking Water (DDW) engineering staff of MRW's new Silver Creek pump station. The DDW engineering manager stated that the Silver Creek pump station is yet another example of MRW being a top water district in the state.

13. Adjourn:

Pursuant to the American with Disabilities Act, Individuals needing assistance attending the meeting, March 14, 2019 should contact Marti Gee at 435-940-1916 ext. 302 to make arrangements. The next MRW Administrative Control Board Meeting will be held on April 18, 2019.

Approved: _____

Date: _____