



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD

MINUTES

APRIL 14, 2016

ATTNEDANCE:

BOARD MEMBERS:

CHRIS EGGLETON
MIKE KOBE
BRETT MICKELSON
MIKE TODD

STAFF:

ANDY ARMSTRONG
SCOTT GREEN
SCOTT MORRISON
LISA HOFFMAN

GUESTS:

EXCUSED:

MATT LINDON

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **April 14, 2016** at the Mountain Regional Water Special Service District office located at 6421 N Business Park Loop Road, Suite A, Park City, Utah 84098 at 6:30 p.m. The following was the agenda for said session all times listed are general in nature are subject to change by the Board.

- 1. 6:30 p.m. Call to Order & Public Input:** Chris Eggleton Called the meeting to order at 6:35 p.m. No Public Attended therefore no public input.

- 2. Consideration of Approve of Meeting Minutes for March 10, 2016:** Motion made by Mike Kobe to approve the Meeting Minutes for March 10, 2016. Seconded by Brett Mickelson. All voted yes, motion carried.
- 3. Motion to move into Closed Session for Executive Session for Personnel:** None Needed.
- 4. Motion to move into Open Session:** None Needed.
- 5. Financial:**
 - A.** February 2016 Financial Reports: Scott Green reported that the Impact Fee Revenue has been declining the past few months. In addition to fewer new connections most of the new connections have come from Promontory, which has a much lower impact fee than other service areas in the District. This is because much of the Promontory infrastructure was funded with special assessments. With the stock market declining the worries of global recession, the District needs to monitor impact fees very closely in 2016. However, the District could experience a moderate decline in impact fee revenue in 2016 and still meet its 1.25 debt coverage requirement.

Total Revenue is .2% ahead of Projections year to date. Water sales are 5.9% over budget. The largest contributor to this positive variance is wholesale water used for snowmaking and the Olympic Park. Park City Wheeling Fees are also 35.3 % ahead of projections. Development related collections are both 45% under budget and less than last year. Operating Cash Expenditures are 5.4 % under budget. It is typical for the District's operating cash expenditures to have a positive budget variance of 2-3%.
 - B.** Consideration of Approval of February 2016 Check Register: Lisa Hoffman presented the February 2016 Check Register. The over \$10,000 items are the annual Insurance Payment of 70,000, Weber Basin 90,000, Tank Bear Hollow Tank, Rocky Mountain Power, Wells Commercial Credit Card and Payroll. A Motion was made by Brett

Mickelson to approve the February 2016 Check Register. Seconded by Mike Kobe.

All voted yes, Motion carried.

C. Consideration of approval of P. O's: None.

D. Other: None.

- 6. Work Session on Transition Planning for MRWSSD Staffing:** Lisa Hoffman discussed the staff time-line and transition planning. Currently MRW has four senior management positions that will be vacated through retirement in the next one to four years. The collective knowledge of these employees as it pertains to the history of the District and the water issues facing Summit County are immeasurable. The regionalization process and topics surrounding regionalization are very complex and a thorough understanding needs to be brought to mid-level management. In order to properly train and impart this knowledge to the individuals who will succeed them, MRW has implemented a management transition program which will include restructuring, training and hiring to ensure viability of the District in the future.

Energy and technology Management: Doug Evans, Director of Energy & Technology Management, intends to move to a part-time status, 30 hours per week, by the end of 2017 and fully retire by 12/31/2019. Following his retirement, Doug will work for MRW in a consulting capacity for two to three years at a fee of no more than \$15,000 per year. Currently, Doug is in charge of administering the District's information technology systems, developing and maintaining optimal water systems, overseeing all major capital projects, as well as maintaining water rights. The District has a very complex water system which is spread out over a large geographic area with significant elevation changes, making controlling water pressure a priority. In addition, as a result of multiple failed water systems consolidated into the District, repair and compatibility of these systems is critical. Due to these complex systems this had been a dynamic position requiring in excess of 40

hours per week. In preparation for Doug's reduction of hours and subsequent retirement, Chris Braun and Scott Morrison will be transitioning with Doug to delegate related responsibilities into their respective areas.

Chris Braun, our GIS/SCADA administrator has been working with Doug to transition all IT responsibilities of the District. In addition, Chris has been actively participating in managing and creating efficiencies in the District's power usage. The District has been a pioneer in energy efficiency which has been accomplished with complex SCADA and telemetry systems. When Doug retires in 2019, Chris will move into his Director position. Doug's remaining duties will be transitioned to Scott Morrison formerly a Staff Engineer and now the Director of Water Quality and Production. Scott has been heavily involved in all capital projects related to the 2014 bond issuance, in an engineering as well as project management capacity. Scott's new role will also allow him to develop and maintain optimal water systems as well as maintain the District's water rights.

Engineering / General Manager: Andy Armstrong, General Manager and District Engineer, intends to transition his title of District Engineer to Scott Morrison at the end of 2018, at which time Scott will be finalizing his Professional Engineer license. Scott will receive a 10% pay increase for this new designation. In 2019 Andy will transition to a part-time position, 24 hours per week, and remain the General Manager until his subsequent retirement at the end of 2020. When Andy transitions to part-time Scott will receive another 10% raise as increased management duties will be transitioned to Scott. Andy's departure could allow for the General Manager position to be filled by a District senior manager involved in the transition. However, the County Council may determine a national search is necessary and an outside candidate could be appointed. In addition, Andy's departure will also require a full time Staff Engineer to be hired in order to assist Chris and Scott in the Energy Management and Engineering departments.

Finance: CFO, Scott Green, will be retiring November 1, 2017. In anticipation of Scott Green's retirement, Lisa Hoffman was hired in June 2015 to help transition into the CFO position. Scott is currently training Lisa in all aspects of this position including detailed review of all current agreements/contracts in place, the budget process, contract negotiation and procurement, month end closing and year-end financial statement preparation as well as audit and bond compliance procedures. Lisa has also taken over all of the Human Resources function. As a result of the transition and training process required a part time Accounting Clerk was hired in 2015 (approximately 15 hours per week.) to assist with payroll and accounts payable duties. As of January 1, 2017 Scott will reduce his hours to 24 and the current part-time Accounting Clerk, with more than enough accounting experience, would move to a Staff Accountant position at 30 hours per week. When Scott fully retires in November 2017, Lisa will step into the CFO Position and an additional part-time Accounting Clerk will need to be hired. Scott will continue working for the District in a consulting capacity for two to three years, at an annual fee of no more than \$15,000 per year (approximately 250 hours per year).

Public Services / Assistant General Manager: Marti gee, Assistant General Manager, anticipates retiring in the Fall of 2020, and will continue to work full-time up until this date. Her current job responsibilities can be divided up among District staff, so an additional employee will not be required. Upon Marti's retirement, the billing function will move into the Finance area where the Staff Account can perform this duty with supervision from the CFO. In an effort to make this a seamless transition, the current Accounting Manager will train with Marti on the billing process this year. Billing analysis, adjustments and communication with the customer can also be performed in the Finance area, along with other administrative tasks related to the Control Board and County council. The minutes

Marti currently takes for the Control board meetings can be done by a third-party for a nominal fee. Marti's other customer service duties will be delegated among the current Public Service staff, which will consist of one part-time position and two full-time positions. Supervision of the Public Service department will be done by the Finance department. There will be no additional cost to the District during Marti's transition.

Legal:

- A.** Consideration of approval of recommendation of Annexation of LV-4-B and LV-4-C N Rome Two LLC, located in the lower village of The Canyons area: Motion made by Mike Kobe to Approve the Recommendation of Annexation to the Summit County Council of LV-4-B and LV-4-C N Rome Two LLC, located in the lower village of The Canyons area. Seconded by Mike Todd. All voted yes, motion carried.
- B.** Consideration of approval of a Water Service Agreement Between Mountain Regional Water Special Service District and N Rome Two LLC: Currently Parcel A is being served by Summit Water Distribution Company. We have a transmission line to the Colony adjacent to the property. Motion made by Mike Kobe to Approve the Water Service Agreement Between Mountain Regional Water Special Service District and N Rome Two LLC. Seconded by Brett Mickelson. All voted yes, motion carried.
- C.** Consideration of Approval of a Water Service Agreement Between Mountain Regional Water Special Service District and Hamlet Homes, Feddich Glen and MRWSSD: Motion made by Mike Kobe to Approval of a Water Service Agreement Between Mountain Regional Water Special Service District and Hamlet Homes, Feddich Glen and MRWSSD. Seconded by Brett Mickelson. All vote yes, motion carried.
- D.** Other: None.

7. General Manager Update:

- A. Future Water Tank Update:** Need a Conditional Use Permit from the Snyderville Basin Planning Commission. The Bison Bluffs pump station will be near this location and the bidding of the projects depends on the requirements of the Summit County Planning Department. MRWSSD will need a budget amendment for Bison Bluff Pump Station.
- B. Future Projects Update:** 1.6 million dollar dispute on the Weber Basin Lease Fees for Regionalization meeting is scheduled in May. Summit County Council appoints the representative to the Weber Basin Water Conservancy Board to the Utah Governor approve the Summit County appointment. Currently the Summit County representative is Dave Ure (from east side of Summit County).
- C. Other:** None.

8. Adjourn: 8:05 p.m.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the May 12 , 2016 at the at the Mountain Regional Water Special Service District office located at 6421 N Business Park Loop Road, Suite A, Park City, Utah 84098 at 6:30 p.m. please contact Marti Gee to make arrangements for assistance.