



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD

AGENDA

AUGUST 17 2017

ATTENDANCE:

Board Members:

Mike Kobe
Brett Mickelson
Ian Schofield
Bob Neumeister

Staff:

Andy Armstrong
Marti Gee
Scott Green
Scott Morrison
Brian Davenport
Lisa Hoffman

Guests:

Dave Thomas Summit County Attorney

Excused:

Mike Todd

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **August 17, 2017** at the Mountain Regional Water Special Service District office located at 6421 N Business Park Loop Road, Suite A, Park City, Utah 84098 at **5:30 p.m.** The following was the agenda for said session all times listed were general in nature and were subject to change by the Board.

- 1. 5:30 p.m. Call to Order & Public Input: 539 no public input**

2. Motion to approve the July 13, 2017 Mountain Regional Water Special Service

District Meeting Minutes: Motion made by Bob Neumeister to approve the July 13, 2017 Mountain Regional Water Special Service District Meeting Minutes. Seconded by Brett Mickelson. All voted yes, motion carried.

3. Motion to move into Executive Session for Personnel & Legal discussion: No Executive Session for Personnel & Legal discussions.

4. Motion to move into Open Session: No Executive Session for Personnel & Legal discussions.

5. Financial:

A. Presentation of the June 2017 Financial Reports: Scott Green gave an abbreviated presentation of the June 2017 Financial Reports. Scott Green stated that June was the same as the past several months. MRW is in good shape. He also reported that the 2017 Budget Amendment was approved by the Governing Board.

B. Consideration of Approval of June 2017 Check Registers: Lisa Hoffman reported that there were 3 Checks that were over the \$10,000 limit. These are the Checks that exceeded that limit. Rocky Mountain Power for \$29,462.09, Hydro Specialties a(P. O. that was approved by the Board for \$118,460.73), and Energy Management for \$279,000. Motion to approve the June 2017 Check Register made by Bob Neumeister Seconded by Ian Schofield. All voted yes, motion carried.

C. Consideration of Approval of P. O. to Hydro Specialties Company for \$289,252.24 for water meters and parts: The 2017 Budget Amendment that would allow for the P. O. to Hydro Specialties Company was passed by the Governing Board. Motion made by Bob Neumeister to approve the P. O. to Hydro Specialties Company for \$289,252.24

for water meters and parts. Seconded by Ian Schofield. All voted yes, motion carried.

D. Other: None.

6. Legal:

A. Discussion of a voluntary fee on monthly water bills to fund an East Canyon Creek enhancement. Andy Armstrong discussed this with the Board that a monthly fee could be paid to MRW from Customers that would like to contribute to the enhancement of East Canyon Creek. The monies that were collected could be paid to Trout Unlimited to assist in paying for the enhancement of East Canyon Creek whatever that project would be. The Board asked Andy to revisit the Regionalization Agreement to do any supplementation to the stream. He will explore that option and report to the board in the future.

B. Discussion on ERC amount allotted to Areas annexed into MRW: See Scott Green Memo on the history of the ERC allotted each area. The Board discussed this and decided to offer this option again to properties in the areas discussed, Red Hawk, Preserve, Willow Creek, and Colony. This option will also be offered when properties are sold in the above described areas. Marti Gee will get letter to the areas affected in October and November to offer the options. Motion made by Brett Mickelson to offer the proposed options to the affected areas. Seconded by Ian Schofield. Bob Neumeister abstained. All voted yes, motion carried.

C. Other: None.

7. General Manager Update:

A. Snowmaking Proposal Discussion: Andy has made a snowmaking proposal to the Canyons Group for water used in November - January. He has not heard if there is

any interest yet. He will bring it back to the Board for approval if it is approved by the Canyons. It will be a take or pay contract and assist the district in the payment of the water rights not utilized in the system yet. Details will follow in the upcoming Board Meetings.

B. Other: None.

8. Tour of Water System: The Board and Staff left to tour the Water system beginning with Lost Canyon Pump Station and Electrical Upgrades, and then proceed to the Lost Canyon Water Treatment Plant.

9. Adjourn:

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the September 14, 2017 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.



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

MEMORANDUM

To: Administrative Control Board
From: Scott Green, CFO
Date: August 10, 2017
Subject: Base Units for Large Residential Customers

Action Requested

Mountain Regional management recommends the Control Board authorize a one-time program that will allow existing large residential users the option to select a new base unit for billings purposes of either:

- 1) One unit
- 2) The units based upon the ERC capacity of water purchased with their impact fees.

Option 2 above results in lower water bills for very high usage, and higher water bills for lower usage.

This program would be offered on phased basis by service area. The affected service areas include:

<u>Service Area</u>	<u># of Cust</u>	<u>Meter Size</u>	<u>ERCs Purchased</u>	<u>Potential Revenue Impact</u>
Colony	157	1.5"	1.8 ERCs	\$ 7,500
Glenwild	118	1.5"	1.8 ERCs	(16,500)
Promontory	491	1.5"	1.8 ERCs	112,500
Redhawk/Preserve	46	1.5"	1.8 ERCs	(5,100)
Sun Peak (New)	51	1.5"	1.8 ERCs	14,000
Willow Creek	70	1.0"	1.4 ERCs	3,900
Total Impact	933			\$116,300

The chart above shows the revenue impact if all large residential users in the above service areas were to change their base units for billing purposes to either 1.4 or 1.8 respectively. In most cases, owners switching to Option 2 would see an increase in their water bills, and Mountain Regional water sales would increase an estimated \$116,300 annually.

In fact, most Colony, Promontory, Sun Peak, and Willow Creek residences would actually see an increase their water bills if they selected Option 2. Meanwhile, many Glenwild and Redhawk / Preserve residences would see

their water bills decline modestly under Option 2. This is because Glenwild and Redhawk / Preserve homes use much more water than the other large residential service areas.

Rules & Regulations

Mountain Regional's Rules and Regulations provide homeowners the option of selecting either one base unit for billing purposes, or the ERC equivalent units determined in the impact calculation for that lot. Lot owners are allowed to make this decision once, when a new home is constructed.

It is recommended that new customers be given 12 months to determine whether they want to use one base unit or the base ERC units determined in their impact fee calculation. This would include both new and existing homes.

Background

Several years ago, some HOAs from service areas with large residential homes threatened legal action if Mountain Regional would not allow their homeowners to either select one base unit for billing purposes, or the ERC units based upon the capacity of water purchased with their impact fee.

At that time, a letter was sent to all the large residential services areas offering each customer the opportunity to switch to Option 2. Only a small number of large residential users chose to change their base units for billing purposes to the ERCs purchased with their impact fees. As mentioned above, using a higher base unit reduces the water bill for large users, and increases it for low water users.

Since then, many of the affected homes have changed owners. These new owners have not been given the opportunity to choose which of the two base unit options they wish to use for billing purposes.

Rate Block Impact

For large residences that select a base unit higher than one, their monthly base payment increases proportionally, as does the quantity of water included in each of the rate blocks. For example, if an owner selects to use 1.8 ERCs, the base rate would increase from \$60 per month to \$108 per month. However, that owner would be able to use 80% more water within each usage block before paying the increasing conservation rates.

The applicable rate tables are shown below for comparison purposes.

Residential - 1.0 ERCs

Monthly Base Rate	\$ 60.00	<i>Per Connection</i>
Usage (in gallons)		
Zero to 5,000	1.75	<i>Per 1,000 Gallons</i>
5,001 to 20,000	4.50	<i>Per 1,000 Gallons</i>
20,001 to 30,000	5.00	<i>Per 1,000 Gallons</i>
30,001 to 40,000	8.00	<i>Per 1,000 Gallons</i>
40,001 to 60,000	12.00	<i>Per 1,000 Gallons</i>
60,001 to 80,000	15.00	<i>Per 1,000 Gallons</i>
80,001 to 100,000	18.00	<i>Per 1,000 Gallons</i>
Above 100,000	21.00	<i>Per 1,000 Gallons</i>

Residential - 1.8 ERCs

Monthly Base Rate	108.00	<i>Per Connection</i>
Usage (in gallons)		
Zero to 9,000	1.75	<i>Per 1,000 Gallons</i>
9,001 to 36,000	4.50	<i>Per 1,000 Gallons</i>
36,001 to 54,000	5.00	<i>Per 1,000 Gallons</i>
54,001 to 72,000	8.00	<i>Per 1,000 Gallons</i>
72,001 to 108,000	12.00	<i>Per 1,000 Gallons</i>
108,001 to 144,000	15.00	<i>Per 1,000 Gallons</i>
144,001 to 180,000	18.00	<i>Per 1,000 Gallons</i>
Above 180,000	21.00	<i>Per 1,000 Gallons</i>