



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

APPROVED 1/3/19

ADMINISTRATIVE CONTROL BOARD

Minutes

November 15, 2018

BOARD MEMBERS:

Mike Kobe
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

STAFF:

Scott Morrison
Marti Gee
Lisa Hoffman
Chris Braun
Brian Davenport
Steve Anderson

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on November 15, 2018 at the Silver Summit Academy located at 6407 N. Business Park Loop, Park City Utah, 84098 at 6:00pm.

- 1. Call to Order and Public Input:** Mike Kobe called the meeting to order at 6:05 pm. No public attended the meeting there was no public comment.
- 2. Executive Session - Personnel and Property Acquisition:** Bob Neumeister made a motion to move into Executive Session. Seconded by Tim Dougherty. All voted yes, motion carried.
- 3. Move to Open Session:** Motion made by Tim Dougherty to move out of Executive Session into Open Session. Seconded by Bob Neumeister. All voted yes, motion carried.
- 4. Consent Agenda:**
 - a. Approval of the October 25, 2018 ACB Meeting Minutes
 - b. Approval of the October 2018 Check RegisterMotion made by Bob Neumeister to approve the Consent Agenda items. Seconded by Ian Schofield. All voted yes, motion carried.
- 5. Questions on Department Updates:** Karin Wilson asked about the leaks in Summit Park. Brian Davenport commented that there are usually several leaks in Summit Park in

the Fall and Spring. The pipes were not bedded properly and sit on top of bedrock and result in full circle breaks in the water lines. The pipes have had problems with corrosive soils in some locations. Marti Gee went over the proposed 2019 Annual Meeting Schedule for the Board. There were a few changes that need to be made with the schedule. Changing the January meeting to January 3, 2019, and April meeting to April 18, 2019. Marti will make those changes and send the updated version to the Board Members. Tim Dougherty had a question on how often we video our pipes. Chris Braun explained that the video equipment is new and that was the first time it was used.

6. Financial Management: Lisa Hoffman

- a. October 2018 Financial Report: Through October 2018, change in net position (net income) is \$3,778,920 – which is \$2,160,020 better than projected. This positive variance resulted from higher revenue that exceeds projections by \$1,783,820 (18.5%), primarily due to higher impact fees of \$606,967 and higher retail water sales of \$961,037. Additionally, expenses are \$376,200 (4.7%) lower than budgeted thus also contributing to the positive variance. A total cash increased \$937,002 (6.3%) to \$15.87 million during October 2018. The current Operating Cash & Reserves balance of \$5.83 million represents a healthy 330 days reserves compared to 296 a year ago. Debt Reserves Held by Trustee increased \$281,271 (12.5%) from transfers to make scheduled interest and principal payments in December. Debt Reserves Held by District increased \$119,182 (3.0%) due to impact fee collections. If you exclude the \$525,198 decrease in Construction Cash, total cash increased \$1,377,049 (9.2%) from October 2017. So far in 2018 there are 88 new connections which is lower than the four year average of 108. However, the total impact fee collections are 17.0% higher than the four year average. Through October 2018 we have had larger impact fees come in for homes in the Colony, Preserve, Woodside and Spring Creek areas. Thirty-Three Promontory lots have been sold to date, which is above the four year average of 30.
- b. Fitch Rating Review: The Board was pleased to see the rating and thought it was well done.
- c. Other: None.

8. Legal: Dave Thomas

- a. Update on Community Water: TCFC lawyers today gave the easement information to Vail. Vail attorneys will redline the easements and begin to work out details with TCFC and MRW. A Surplus water agreement for the lodges at the Canyons is a separate contract. Currently TCFC chooses to not purchase water from MRW and is getting water from their own sources and Summit Water Distribution. There is an issue with a location of a valve facility at Hidden Creek and TCFC property. It is straddling a property line and MRW is in the process of changing the design to move it in a better location.
- b. Consideration of purchase of property from SBWRD for MRW: Discussed in Executive session and ready to vote on motion. Motion made by Karin Wilson to have Scott Morrison sign the Real Estate Purchase Contract (REPC) and deliver it to SBWRD. Seconded by Ian Schofield. Four Board Members voted in favor and one voted against. Motion approved.
- c. Training Requirements for the MRW Administrative Control Board: There are

Three Board Member Trainings required. They are the Utah State Auditor online training is required once per term of office. The Open Meeting Act Training is required each year, Summit County is planning a meeting for the training sometime in January 2019. The third training is done during the Annual March MRW Board Meeting where Dave Thomas will provide training for Special Service District Board Members. Marti will send out the links for the training online for the Board Members next week.

- d. Consideration of Approval of the MRW Employee Contracts: Discussion in Executive Session on contracts. Bob Neumeister made a motion to approve the contracts for employees that required them. Seconded by Karin Wilson. All voted yes, motion carried.
- e. Other: None.

9. General Manager Comments: Scott Morrison

- a. Consideration of Approval of Merit Bonus for MRW Employees: Bob Neumeister made motion to approve the Merit Bonus for MRW Employees. Seconded by Ian Schofield all voted yes. The new District Engineer Julie Cobleigh started working and she is working hard and staff is very pleased to have her on the MRW team. The intake at the treatment pond is completed.
- b. Discussion of the Methodology for Wholesale Water Rates for - Western Summit County Project Master Agreement: A discussion was held on the rates applied to the Western Summit County Project Master Agreement surplus water. Management will confirm with Dave Thomas that the Board can set this rate. May need a brief December meeting to discuss. Weber Basin Water Conservancy District drought plan is tied to water storage thresholds. When they reach their thresholds there would be a cut back in water accordingly. Scott will research this and report to the Board in the future. The reservoir intake may still be an issue with the freezing. Doug Evans would like to move the intake for the water. Scott will research the intake issues and the level of the reservoir for MRW water. In the event of a natural disaster (such as a wildfire) MRW would benefit from an intake location in Rockport Reservoir.
- c. Other: None.

10. Adjourn: Karin Wilson made a motion to adjourn. Seconded by Ian Schofield. All voted yes, motion carried.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the meeting, December 13, 2018 should contact Marti Gee to make arrangements. The next MRW Board Meeting will be held on December 13, 2018.