



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD
MINUTES JULY 21, 2015

ATTENDANCE

BOARD MEMBERS:

CHIRS EGGLETON
B. TODD HOPKINSON
MIKE KOBE
MIKE TODD
BRETT MICKELSON
MATT LINDON VIA PHONE

STAFF:

ANDY ARMSTRONG
MARTI GEE
LISA HOFFMAN
SCOTT MORRISON

EXCUSED:

NONE

GUESTS:

SCOTT GREEN

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **July 21, 2015** 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 were general in nature are subject to change by the Board.

- 1. 6:30 p.m. Call to Order & Public Input:** Chairman Chris Eggleton Called the meeting to order at 6:45 p.m.
- 2. Consideration of Approve of Meeting Minutes for June 18, 2015:** Motion made by Mike Todd to approve the Meeting Minutes for June 18, 2015. Seconded by Mike Kobe.

Chris Eggleton abstained since he was not present for the June Board Meeting. All voted yes motion carried.

3. Motion to move into Executive Session for Personnel: Brett Mickelson made a motion to move into Executive Session for personnel. Seconded by B. Todd Hopkinson. All voted yes, motion carried.

4. Motion to move into Open Session: Motion made by Mike Kobe to move into Open Session. Seconded by B. Todd Hopkinson. All voted yes, motion carried.

5. Financial:

A. June 2015 Financial Reports: Lisa Hoffman went over the key points from the Monthly Un-Audited Financial Summary for May and June 2015. Wholesale water sales increases will increase the reserve by \$175,000 for the regionalization costs. Building Activity has increased significantly from the past year. Total Revenue (excluding grants) is 16.3 % ahead of projections for this time of year for 2015. Total Cash Expenditures are 5.5% under budget. Total cash Increased 3.5 % in May 2015. Reserves are typically at their lowest level in April thru June each year before the District begins to collect summer water sales. The current 160 days reserves is high for this time of year, and helps ensure reserves will remain above the 120 days reserves moving forward.

B. Consideration of approval of the May Check Register: Mike Todd made a motion to approve of the May Check Register. Seconded by Mike Kobe. All voted yes, motion carried.

C. Presentation: Review Need For Adopted \$4.00 Rate Increase Scheduled To Take Effect On September 2015 Water Bills: Andy Armstrong told the Board that Scott Green's father passed away today and Andy Armstrong will make the presentation to the Board. Andy Armstrong asked the Board to look at Page 8. B. Todd Hopkinson has concerns about the wholesale water sales, and the development sales that the

District may not need the rate increase. B. Todd Hopkinson stated he did not read the report in the packet of information but he was very unhappy about the report and it did not address his concerns about the items he wanted discussed in the presentation. He discussed the need for a model that could be manipulated with facts to show the outcome with many options. Mike Todd agreed that a model was needed. A discussion continued with B. Todd Hopkinson's frustration about the presentation and the projections, he disputed the growth numbers that Scott Green used, but Andy Armstrong explained he used a strong and an average number of new customers. He used 64 new customers for a average number and 90 customers for a strong number. Scott Green also used a dry, average, and wet year in weather for both the strong and average new customer scenarios. The discussion continued with the number of new customer and the weather options. B. Todd Hopkinson and Mike Todd wanted a working model they could work with on options and not the report scenarios. Chris Eggleton asked B. Todd Hopkinson if he would like to vote on the matter of the 4% increase. B. Todd Hopkinson did not want a vote on the issue. The County Council voted last year on a two-step rate increase Sept. 1, 2014 and August 1, 2015. The rates are in place and the rate increase will occur on August 1, 2015. Andy Armstrong said that Scott Green would be available for questions when he returns back from the death of his father and encouraged B. Todd Hopkinson to call him with his questions.

- D. Consideration and Approval of Amended to MRW Procurement Policy: Summary**
- MRWSSD started the process of per qualifying vendors who can bid on the drilling contract for the new Bison Bluffs Well, when it was noticed that Section 3.6.1.2 C of MRWSSD Procurement policy mistakenly prohibits the prequalification of vendors for construction prohibits costing more that \$99,999. However, the original intent was to only prohibit "open-ended prequalification processes for large construction projects.

This is because an “open-ended” prequalification has an undetermined time limit that could be several years. If MRWSSD openly solicited for the pre-qualifications of construction contractors for yet to be determined construction projects, only those qualified contractors that submitted a Statement of Qualification would be able to bid on future projects. It is possible, that many well qualified contractors might not submit a Statement of Qualification, or qualifications could change over time.

However, a “close-ended prequalification processes works very well for construction projects that require certain technical skills and special expertise, such as drilling a well. As such, it is recommended that the control board adopt the following change to Section 3.6.1.2.C of the Procurement Code:

From:

The Prequalification of Vendors may not be used for Construction Projects costing more than \$99,999

To:

An Open-ended Prequalification of Vendors may not be used for Construction Projects costing more than \$99,999.

Motion made by Matt Lindon to approve of amendment to MRW Procurement Policy.

Seconded by Mike Kobe. All voted yes, motion carried

- E.** Consideration and Approval of General Manager Employment Contract: Andy Armstrong explained to the Board that the Summit County Council wanted the Administrative Control Board have Employment Contracts with their General Managers and Fire Chiefs. Dave Thomas sent over a copy of the Employment Contract the County would like to present to the MRW Board. Andy Armstrong explained that he did not have an employment contract. The new contract is the same as Andy Armstrong is operating currently without a contract. No changes in his duties

or money. Motion made by B. Todd Hopkinson to Approve the General Manager Employment Contract. Seconded by Brett Mickelson. All voted yes, motion carried.

F. Other

6. General Manager Updates:

G. Weber Basin Regionalization Update: Andy Armstrong explained that the new water tank that he is trying to get approval for in Round Valley from Park City Municipal Corp is moving slowly forward. MRW has modeled the amount of water that we were going to deliver in 2016 would be difficult to deliver with the current infrastructure. The Regionalization Agreement states that 600 ac feet of water that MRWSSD committed to is an issue with Weber Basin Water Conservancy District and MRW will need to supply the 600 ac feet that was committed for in 2016. SWDC may want more water and with all of the Wells operational MRW can deliver that amount of water. Andy explained that the proposed new tank in Round Valley is an important component in the scenario. The new tank proposed in Round Valley option is in the old rock quarry. The Park City Council said maybe on the site for the new tank. The need to provide a rendering of the site and address some concerns about the sitewil need to be completed for review by Park City Council. The Park City Council stated that they need the tank buried and what community benefits MRW will provide. Andy Armstrong estimated the cost of the requested improvements would be \$15,000 to \$20,000 to build the tank on that site. Andy Armstrong did not think the site would be difficult to build a tank on. It is proposed to be a 2 million water tank. Matt Lindon had a questions about the difficulties that staff encountered delivering the amount of water needed this year. Andy Armstrong stated that staff was able to keep up with the demand and not use as much water in the fire flow storage was used as the model suggested. ASSD well 2 can supplement if necessary. The new tank in Round Valley costs are going to come out of the new bond that was passed last year.

H. New Tank Site Update: See above.

I. Other: Concurrency Andy Armstrong and Summit Water met on concurrency. The thoughts that both water companies had were to simplify the process. The process simplified helps the regionalization projects. Andy Armstrong will meet with Gorgoza Mutual Water Company when he gets the comments from Summit Water and see if they agree on Andy Armstrong approach to concurrency.

A Rockport Estates resident met with Andy Armstrong about future water needs.

Rockport has a new water tank but a well with iron bacteria. Andy Armstrong told them they would need to meet MRW current construction standards if they wanted to Annex and also need to upgrade their water distribution system. Andy Armstrong estimated that they would need about 3 million dollars of improvements on their water systems. He told them they need to get their people on board before he will discuss with them.

7. Public Service:

J. Mountain Regional Water Special Service District Backflow Presentation and Discussion: See Backflow Presentation. Marti Gee took Todd Hopkinson's comments and concerns about MRW Backflow program in the June Board Meeting. Andy Armstrong addressed the major points in the Presentation. Todd Hopkinson asked many questions that were answered in the presentation about the Backflow program. Todd Hopkinson asked why MRW did not call customers of the Backflow Testing companies to see what they charged the owners for the services after they gave MRW the costs of the inspections and testing. Andy Armstrong stated that MRW staff spent so much time on this, that the costs were listed and that was the extent the district would research that issue. The Board discussed the entire district and what the plan was to implement new changes in the Backflow for homes that met code at the time of building but now do not have backflow devices that are testable. The staff

discussed that when a system was upgraded it would need to meet current code for Backflow testing. The Board was concerned that staff look at the implementation plan and develop a system to implement devices for appropriate customers. The Board would like to have updates on the progress of this process from staff.

K. 2014 Consumer Confidence Report: The 2014 Consumer Confidence Report was distributed to the Board. It is on the District's website and will be available for anyone that requests a copy.

L. Consideration of Approval of Letter and Exhibit for Certification of Property Tax Liens on Past Due Accounts for Mountain Regional Water Special Service District 2015: Motion made by Todd Hopkinson to Approve the letter and Exhibit for Certification of Property Tax Liens on Past Due Accounts for Mountain Regional Water Special Service Districts. Seconded by Brett Mickelson. All vote in favor motion carried.

M. Utah Rivers Council Rain Water barrels discussion: Tabled until next meeting.

N. Other: None.

8. Other: None.

9. Adjourn: 9:43

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the August 20, 2015 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.