



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

APPROVED MINUTES

Administrative Control Board

Agenda

September 10, 2020

Attendance:

Board:

Mike Kobe
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

Staff:

Scott Morrison
Lisa Hoffman
Steve Anderson
Chris Braun
Brian Davenport
Anna Peacock
Sam Grenlie

Summit County Attorney:

Blaine Thomas

Notice was given that the Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Session on September 10, 2020 via Zoom with anchor location at the Mountain Regional Water District Office at 6421 N. Business Park Loop Rd., Suite A, Park City Utah, 84098 at 6:00 p.m. All participants and public wishing to attend did so via Zoom using the following information:

Join Zoom Meeting

<https://us02web.zoom.us/j/88340720357?pwd=ejVYZE82blZpbWVOYzJFZExvcUVOdz09>

Meeting ID: 883 4072 0357

Passcode: 712168

Dial In: 346 248 7799

- 1. Call to Order and Public Input:** Mike Kobe called the meeting to order at 6:00 PM. There was no public attending, no public comments.
- 2. Executive Session – Personnel, Possible Litigation, and Property Acquisition:**
No Executive session was requested

3. Consent Agenda: (8:44 minutes)

- a. Approval of the August 13 2020 ACB Meeting Minutes: Bob Neumeister made a motion to approve the Meeting Minutes. Seconded by Ian Schofield. All voted in favor of the motion. Motion passed.
- b. Approval of the August 2020 Check Register: Karin Wilson inquired about the check made payable to Snyderville Basin Water Reclamation District (SBWRD). Scott Morrison explained the purpose of the check was to participate in paying for a stream gauge to monitor the stream levels. This supports water rights calculations. Mike Kobe questioned if this was an annual payment; Scott confirmed that it was an annual payment. Lisa Hoffman offered that this was a shared cost between a couple of entities.
Karin inquired about the drug screening noted on the check register, was this due to an accident because there were some auto repairs listed as well? Lisa Hoffman explained the tests were due to random drug screening.
Ian Schofield inquired about the hay loss check for Robert Siddoway, was this a reimbursement? Scott Morrison explained that yes MRW does reimburse MRW's neighbor down at the Lost Canyon facility for his loss in hay crop. Ian Schofield inquired if this loss of hay payment is in perpetuity? Scott Morrison confirmed that this was correct. Ian Schofield also inquired about the new vehicle acquisition. Scott Morrison confirmed that MRW did purchase a new district office vehicle.
Ian Schofield inquired about the basis on percentage to Community Water of the Nickerson Old Ranch Road project. Scott Morrison explained that the percentage was based on the components purchased.
Bob Neumeister had no comments. Tim Dougherty had no comments.
Motion made by Bob Neimeister to approve the Check Register. Seconded by Ian Schofield. All voted in favor of the motion. Motion passed.
- c. Consideration of Approval of P.O. : There were no P.O.s up for consideration.
- d. Other:

4. Financial Management: Lisa Hoffman & Steve Anderson (19 minutes)

- a. Discussion of Revenue Assumptions for the 2021 Budget: Steve gave the presentation about the budget. No rate increase for 2021 but the model predicts 2-3% in 2023. MRW commercial growth is smaller and slower than residential. Park City will more than likely continue to take their allotted amount of water. This is mostly a cost sharing amount. MRW budget is holding at our projected rate. Standby fees stay the same due to the fact that once a standby fee

transitions into a water connection, new developments come into play with new lots platted. Operating Fees are constant. Impact fees we are at our budget for the year.

Mike Kobe asked about the historical average. Steve Anderson stated historically for 10-year average is \$750,000. We are budgeting below the 10-year average at this time.

The budget model is not projecting a rate increase until 2023. The increase could be between 2 & 3 %.

Ian Schofield questioned if the rate increase was based on both the regionalization rate and rate study rates. Steve explained that it was both components.

Mike Kobe wanted to know about our cash if we use this budget. Steve Anderson explained that it would increase our cash but MRW is spending a lot on capital projects. Lisa Hoffman stated that when the finance staff presents the budget in October, we would have a more detailed report for review.

Karin commented about the real estate market and wanted to make sure we are not being too conservative. With the homes being sold, and not a lot of available homes on the market, homes are being built.

Lisa Hoffman stated that Impact fees are hard to predict, we would rather be conservative than overzealous.

Steve Anderson shared his screen and explained the August revenue. Steve Anderson also discussed the cash collections, uncollected amounts are currently running about \$300,000.00, Promontory paid \$125,000.00 this afternoon.

Steve Anderson talked briefly about the District Change in Net Position August 2020 unaudited, 2020 August Actual v Budget, MRW Retail Water Sales. Steve concluded with the District's higher than budgeted revenue position and higher than budgeted expenses.

5. Human Resources: Lisa Hoffman (15 minutes)

- a. Consideration of Approval of Updated Job Descriptions: Lisa Hoffman screen shared the job description changes for the Assistant General Manager (AGM) and Chief Finance Officer
 - i. Assistant General Manager: These significant changes in the rewrite of the job descriptions are mostly due in fact to Marti retiring and re-assigning the job duties. We have added a legislative component at the State level and County level. We have also added a Communications Strategy role. This position will be the liaison with the county and other

local entities. This position will include all HR, Policies and Procedures, Rules and Regs, By-laws, and our GRAMA officer.

No questions on the descriptions themselves but Bob Neumeister inquired if the descriptions were reviewed by the county. Lisa confirmed that YES Brian Bellamy has reviewed them without comment

- ii. **Chief Financial Officer: CFO** - One notable change compared to the previous revision; the billing process has moved into finance. The work environment is similar. Tim Dougherty inquired about risk management. Lisa said yes CFO would be the liaison based on financial. Mike Kobe wanted to know how MRW fills these positions. Scott Morrison explained that these were part of the transition plan process of Marti retirements. No public advertising. Promotions handled within. Flow chart approved by Brian Bellamy. Marti Gee last day OCT 1st. No Potluck or gathering due to COVID. We are making a Scrapbook Video of sorts. We will share in an email if the board wants to participate. Karin Wilson made a motion to approve. Ian Scholfield second the motion. All voted in favor of the motion. Motion passed.

6. Legal: Blaine Thomas (5 minutes) absent Scott Morrison asked Chris Braun to present the Annexation Request.

- a. Consideration for Recommendation to the Governing Board the Annexation of Parcel PP-102-A-2 into the District's Service Boundaries.

Chris Braun explained the Annexation Request due to Blaine Thomas not being in attendance. This annexation is for a lot expected to hold a single-family residence.

Ian Schofield made a motion to recommend the annexation be considered by the District's Governing Board, Bob Neumeister second the motion. All voted in favor of the motion. Motion passed.

- b. Other:

7. General Manager Comments: Scott Morrison (30 minutes)

- a. Regional Water Supply Rate Study Update and Discussion Regarding Public Hearing Date: Scott reviewed the Regional Water Supply Rate Study Update. Lewis Young prepared the rate study earlier in 2020 and presented it at the County Council meeting last night. The County Council did not have any objections and commended the work of the District. No questions asked.

Scott Morrison would like to set a date for the public hearing for the rate increase for the Regional Water Supply.

Karen Wilson commented that the meeting was very cordial.

Scott Morrison agreed and further commented that Summit Water leadership has changed since this agreement was made.

Ian Schofield asked about the change in staff/leadership, was this a more recent change? Scott explained that YES there were more changes. Jeremy Sorenson was hired as the General Manager following the dismissal of Andy Garland and then recently let go as well. Dave Fuller who was the assistant General Manager under Andy Garland was retained to assist Jeremy Sorenson in his role as General Manager was let go of his position just prior to Jeremy Sorenson's dismissal.

Ian Schofield asked if we (MRW) knew the new staff? Scott Morrison replied yes, we know the name of the current General Manager. He was a previous employee of Summit Water Distribution Company.

Mike Kobe inquired if MRW had reached out to Dave Fuller for MRW to hire. Scott Morrison has been in touch with Dave and has his resume. MRW does not have anything currently open.

Ian Schofield inquired what Dave Fuller's background entailed? Scott Morrison responded that Dave Fuller has 10-15 years experience with water systems due to his being employed with Summit Water Distribution Company.

Ian Schofield inquired if we thought these men were let go due to their participation in the agreement of the wholesale rate with MRW.

The change in leadership at Summit Water Distribution Company does not appear to have anything to do with the agreement with MRW.

Scott Morrison would like to set the Public Hearing date for Thursday October 8, 2020 if there are not any conflicts.

Ian Schofield was inquiring as to why the October Administration Control Board meeting was scheduled for the 22nd of October and not earlier in the month.

Scott Morrison responded that it is typically held at the end of the month of October to assist in the budget process and to allow MRW finance staff to have all the September information in to prepare for the Budget.

Public Hearing date is set for Thursday October 8, 2020 at 6 pm. The meeting will be held electronically, and more information will be sent out regarding this. Lisa Hoffman is working with Blaine Thomas regarding the public notification requirements.

- b. **Update Regarding Meter Replacement Conflict:** Scott Morrison apologized to the Board about the Board having to be involved. Scott Morrison called the customer

to be sure the customer will be willing to work with MRW in the spring to change out the meter. The customers stated they would have the meter uncovered and accessible. The customers stated they were definitely agreeable depending on their doctor's recommendation regarding COVID.

Scott Morrison explained there are rules in place regarding billing the customer if the meter becomes unreadable.

Bob Neumeister asked about Backflow device install? Scott Morrison responded that we do not have definite information. Anna Peacock will place a reminder to investigate if the property has a backflow assembly installed in the spring.

Mike Kobe thanked Tim Dougherty for the letter to the customer. No further comments.

- c. Update regarding Summit County's 100% Net Renewable Electrical Program for Government Operations: Scott Morrison explained the Electric Program with Summit County is a go. The cost is 2.37% higher electrical costs for the district. This increase equates to \$20,373 annual cost to MRW. Summit County Mgr Tom Fisher does not need a formal recommendation or approval by the MRW ACB. This is a county approval. This program seems to be moving forward. No questions or comments.
- d. Other: Board to stay tuned about 410-unit development possibly coming MRW way. This is not included in the budget projections. Chris Braun shared his screen and gave a short explanation that this project is on the 44-acre parcel located by I-80 and Highland Drive, owned by the Catholic Diocese of SLC. This parcel is not currently part of MRW's district. For this project to proceed they would need to annex into MRW and to receive approval from the Summit County Council more than likely have to change the density (zoning change).
Mike Kobe inquired as to which tank would MRW serve this piece on. Chris Braun responded that it would be what MRW calls our Atkinson tank. They (developer/project) would likely need to bore under highway 40 and loop over to Woodside Subdivision or along Highland Dr to be able for MRW to serve them.
Mike Kobe asked how this would impact the fire storage?
Chris Braun responded that the customer base would most likely be low impact users such as apartments. The impact would be fairly low then.
Scott Morrison explained that Atkinson is the hub zone of the district. MRW is healthy in that regard.
Mike Kobe stated he understood there were hydraulic challenges moving water across Highway 40.

Scott Morrison responded that yes, this is correct. However, MRW installed their “EPA line”, a couple years ago to help with hydraulic challenges in this area.

Bob Neumeister inquired if MRW cannot serve this who would?

Scott Morrison responded that it’s unlikely anyone could. This is all speculation at this point for the possible future.

No further discussion on that.

Before moving on to the Department Updates, Mike Kobe wanted to know if a discussion about Hideout is applicable or impacting MRW at all.

Scott Morrison responded that he really did not know because this was not far enough along to project the impact on MRW. PC might serve / JSSD might serve, but then it is multiple counties (ie) Wasatch and Summit County. Summit Water Distribution could potentially serve. MRW does not have infrastructure near the parcel. It is a wait and see. Wait for County Mgr Tom Fisher to ask MRW if needed.

8. Questions on Department Updates: (15 minutes)

Ian Schofield asked Brian Davenport about the Spring Creek well 1R, do we have a transducer on that measuring water level? Brian Davenport replied that no we did not. It is a pretty rudimentary well. Ian Schofield asked if MRW has a shut off if the flow is low. Brian replied that we do not have one installed, but the electric component would shut off if the flow is too low. Scott Morrison responded that in past years the flow in the creek declines naturally and we do not pull down to the pump. Creek is dry and MRW is watching it. Pilot study for East Canyon creek - MRW is part of the East Canyon Watershed Committee, Sam Grenlie is monitoring the creek level as well as local landowners.

Ian Schofield has a question for Chris Braun item 2 in his notes, do we ever tell developers no regarding acceptance of their electrical work? Chris Braun responded that no we do not. That could end up leading to a project even worse off than the original and more work for us. We do not currently have a way to insert ourselves early on with inspections on the SCADA side of things but MRW can make things work. It does not hinder MRW but not our preference. It is at Developer expense. Ian Schofield's last question is for Anna Peacock, the remaining meter installs, are these in one area or all over the district? Anna Peacock responded that these replacement meter installs are in fact all over our district. These are mostly residential meters that are either inside customer homes or need some additional work completed before our staff replaces the meter.

Bob Neumeister inquired if any of these meters are located in community water? Anna Peacock replied that there is 1 homeowner left in the community water area. This is due

to the fact that we have not been able to contact the homeowner through email, phone, mail or HOA. We are waiting on the homeowner to respond to us. We will continue to reach out but have been unsuccessful so far.

No comments or questions from the rest of the Board.

Tim Dougherty still likes Sam's report, the picture is great.

Mike Kobe commented on hold points, inspection points - flow charts might be helpful.

Bob Neumeister inquired how are the wells holding up? Scott Morrison replied our wells are doing well. We have moved our water rights down to Lost Canyon. We haven't had any wells be out of service due to maintenance. Our focus is water quality. We are keeping an eye on things. We are seeing some increases in TDS - we are actively working on it. We are looking on how to not only reduce TDS but how to prevent rising levels.

Bob Neumeister inquired about any COVID updates from the County?

Scott Morrison responded there was nothing new. Office is moving right along, everyone is used to masks, the new "normal".

Bob Neumeister was curious as to how many public people entered the office, was everyone abiding by the COVID guidelines. Anna Peacock responded that we had limited customers entering the office and that the traffic was mostly contractors or customers paying impact fees. So far everyone has been very accommodating, wearing masks and if the customer did not have a mask, MRW has masks available for them. All disinfecting and COVID guidelines have been followed without any resistance.

Ian Schofield commented there was not a timeline in the packet this time. He really likes the timeline.

Lisa Hoffman apologized for not including the timeline. She forgot about it. Lisa Hoffman stated she will update the timeline and will email it with information on Marti Gee's retirement.

Mike Kobe inquired about whether we need another public hearing on the budget in October or November? When do we need to submit it to the Summit County Council?

Lisa Hoffman explained the timeline for the Budget hearing and approvals etc. All needs to be approved by DEC 31, 2020.

Scott Morrison commented on some redlines for our rate hearing and that we would need clarification from the attorney's office.

9. Adjourn: Motion to adjourn the meeting 7:25 PM

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the meeting on September 10, 2020 should contact Lisa Hoffman at 435-940-1916 Ext. 312 to make arrangements. The next MRW Administrative Control Board Meeting will be held on October 22, 2020.

