



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

APPROVED 2/7/2019

**MOUNTAIN REGIONAL WATER SSD
ADMINISTRATIVE CONTROL BOARD
Minutes
January 3, 2019**

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on January 3, 2019 at the Silver Summit Academy located at 6407 N. Business Park Loop, Park City Utah, 84098 at 6:00pm. The following was the agenda for said session.

BOARD MEMBERS:

Mike Kobe
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

STAFF:

Scott Morrison
Marti Gee
Lisa Hoffman
Doug Evans
Steve Anderson
Julie Cobleigh

SUMMIT COUNTY ATTORNEY:

Dave Thomas Chief Civil Deputy Summit County

- 1. Call to Order and Public Input:** Mike Kobe called the meeting to order at 6:05 pm. No public attended the meeting.
- 2. Executive Session - Personnel and Property Acquisition:** None needed.
- 3. Move to Open Session:** Did not have an Executive Session this meeting.
- 4. Consent Agenda:**
 - a. Approval of the November 15, 2018 ACB Meeting Minutes
 - b. Approval of the November Check Register
 - c. P.O. Kenworth Truck \$163,804.10

- d. Consideration of the Surplus of one MRW Truck
- e. Consideration of the Surplus of a Pipe Fusion Machine

Scott Morrison introduced Julie Cobleigh. Julie is MRW's new engineer. There was a question about the new Truck purchase. Scott Morrison replied that it was budgeted for 2019. The current truck continues to have repair issues resulting in unreliable service. Motion made by Ian Schofield to approve the Consent Agenda. Seconded by Bob Neumeister. All voted yes, motion carried.

5. Questions on Department Updates:

Karin Wilson asked a question about the Weber Basin Agreement and selling water to Summit Water and Weber Basin and would like to discuss it further. Scott Morrison stated that he has that item listed in his General Manager section but would be happy to answer questions about that now. Weber Basin sells MRW's surplus water to Summit Water and Summit Water takes their Settlement Water and their Master Agreement Water through the Old Ranch Road interconnect. The Master Agreement Contract covers all deliveries of water above the 400 acre feet of Settlement Agreement water. The Settlement Agreement Water is delivered per contract through 2025. There are two different rates for the water, the Settlement Agreement water rate is governed by agreement and the Master Agreement water rate is set by MRW. There was also a question about the EPA line that needs EPA approval. It is still under review and has had positive feedback from the EPA. With the current Government shut down, the project has been delayed. Karin asked about what the Carbon Exchange is going to be used for. Lisa Hoffman responded that it is to replace two of the Carbon Filters at the Water Treatment Plant.

6. Financial Management: Lisa Hoffman

- a. November 2018 Financial Report: The current Operating Cash & Reserves balance of \$6.61 million represents a healthy 374 days reserves compared to a 316 days a year ago. So far in 2018 there are 95 new connections which is lower than the four year average of 131. However, the total impact fee collections are 11.2 % higher than the four year average. Through November 2018 MRW has had larger impact fees come in for homes in the Colony, Preserve, Woodside and Spring Creek areas. Year-to-Date water consumption by District customers was 23.7% above the average over the past four years of 2,235 acre feet. Park City usage was 47.6% higher than the four-year average due to their treatment plant repairs being completed. Summit Water has taken 677 acre feet through November 2018, which is just above the 667 acre feet taken through November 2017. The Capital projects remain the same as last month.
- b. Other: None.

7. Legal: Dave Thomas

- a. Update on Community Water: Dave Thomas reported to the Board Members that he is continuing to try to get the easements for Red Pine and Hidden Creek signed. The easements and an Agreement for Surplus Water are not complete. There is also a Grand Summit interconnect and easement agreement with Summit Water that will replace the old interconnect between Community Water and Summit Water. This agreement has not yet been signed. Aqua Engineering is designing the changes to the valve and meter station to be located in the subdivision Hidden Creek. Those drawing will be complete soon and the location and facility will be ready for easement definition and project bid process. The bid package for the well is ready to go. These bids are necessary to be completed to close the Drinking Water loan for the Community Water upgrades.
- b. Property Purchase and Indemnification Agreement: The SBWRD Property Purchase Contracts and Indemnification Agreements have been signed, the purchase price was \$148,500.00 for 2.7 acres of land consisting of current MRW facilities and a future well site. Dave explained that the property will need to be subdivided and approved by Summit County prior to settlement.
- c. The Surplus Water and Interconnect Agreements: Settlement and Master Agreements with Summit Water and Weber Basin are discussed in Section 5. The Interconnect agreement governs the infrastructure used and needed to deliver surplus water. The intention is to have the interconnects maintained by the parties that are providing water through the facility.
- d. Facilities Licence Agreements - Red Hawk Complaint: MRW Received a complaint from a neighbor in Red Hawk about MRW allowing Utah Broadband to use the MRW antenna. MRW has ability to use their easement for MRW purposes which includes appurtenances such as antenna structures. Summit County is requiring cohabitation on towers of providers and not allowing too many towers to exist. Summit County needs a conditional use permit for the towers and to cohabitate on the towers. Scott sent letter to providers and told them only one mast structure is allowed and they will need to cohabitate. Utah Broadband has had an agreement with MRW for years and Wicked Fast Internet is new and wants to be located on MRW tank. The complainant from Red Hawk has a second complaint that the internet providers do not have the ability to access the site through the road on his property. Dave Thomas needs to review the easement of the road for further discussion.
- e. Other:

8. General Manager Comments: Scott Morrison

- a. 2019 MRW Timeline: There is a work Session scheduled with Summit County Council Feb 6, 2019 to discuss water losses and the energy component with the loss of water. They also want to discuss the national average of water loss and how MRW deals with water leaks. The Summit

County Council will want to meet quarterly with Special Districts, there will be information forthcoming. Summit County is requiring Franchise Agreements with all water companies infrastructure located within Summit County's right of way. The MRW Franchise Fee will be \$5,000 per year for the Franchise Agreement.

- b. Discussion of the Methodology for Wholesale Water Rates for - Western Summit County Project Master Agreement: Scott stated that his takeaway from the discussion from the last Board meeting was to have staff come up with a price for the surplus water that would lead to a retail price similar to MRW's. Steve, Lisa and Scott have studied the cost of MRW water to the distribution systems of both MRW and Summit Water. They are similar systems with potentially similar distribution costs. The theory would be to have the end cost to customers be the same for both parties. The rates should be looking at the market rate and setting the wholesale rate so Summit Water and MRW customers will be paying similar rates. At the regionalization meeting all of the stakeholders had a discussion about the pricing of surplus water. The conclusion of the discussion was that the fall prior to the year of delivery, prices would be provided to Weber Basin for the cost of the surplus water. Scott stated he would like feedback regarding the methodology of how these costs are determined and approval from the board on the methodology for staff to work on. The Board Agreed with the approach staff presented.
- c. Well Location Discussion: The new well located in Silver Creek was discussed at length and will be ready to be bid shortly.
- d. Discussion Regarding Drought Response Planning: Weber Basin is actively working on it. Keep as a discussion item for future meetings.
- e. Other:

9. Adjourn: MRW Board Meeting adjourned at 7:55.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the meeting, January 3, 2019 should contact Marti Gee 435-940-1916 ext 302 to make arrangements. The next MRW Board Meeting will be held on February 7, 2019.

Approved: _____

Date: _____