



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

Administrative Control Board
Meeting Minutes
June 20, 2019

Board Members:

Mike Kobe (excused)
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

Staff:

Scott Morrison
Marti Gee
Lisa Hoffman
Chris Braun
Steve Anderson
Doug Evans

Summit County Attorney:

Dave Thomas

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on June 20, 2019 at the Snyderville Basin Special Recreation District Office Board Room – Trailside 5715 Trailside Drive, Park City, Utah, 84098 at 6:00 p.m.

- 1. Call to Order and Public Input:** Bob Neumeister acted as the Chairman of the Mountain Regional Water Special Service District Administrative Control Board, Mike Kobe was excused. Bob called the meeting to order at 6:15 pm. No public attended.
- 2. Ascent Hotel: Request to “Master Meter” Condominium:** Scott Morrison recommended that the Ascent Hotel be master metered since it will operate as a traditional hotel even though the units will be individually owned. Hotels are master metered per MRW’s Rules and Regulations. MRW’s ability to lien in the event of non-payment (a typical concern which in part led to the individual meter policy) is preserved through the fact that the front desk area is a commercially owned space that will have a Tax ID.

If an individual meter approach was taken in this case, the common boiler would lead to two water meters per unit and the resulting increased administrative and operational load. Ian Schofield made a motion to allow the Master Meter for the Ascent Hotel and the exception to MRW's policy requiring an individual meter for condominium units. Seconded by Karin Wilson. All voted yes, motion carried.

- 3. Executive Session – Personnel:** Motion made by Karin Wilson to move out of Open Session into Executive Session. Seconded by Ian Schofield. All voted yes, motion carried.
- 4. Move into Open Session:** Motion made by Karin Wilson to move into Open Session. Seconded by Ian Schofield. All voted yes, motion carried.
- 5. Consent Agenda:**
 - a.** Approval of the May 9, 2019 ACB Meeting Minutes
 - b.** Approval of the April & May 2019 Check Register
 - c.** Consideration of Approval of P.O.
 - d.** Other: The Board had a question about the check for the membrane filters, Lisa and Steve answered that they were for the Water Treatment Plant. There was a question about support at Caselle. Marti explained that was for the Technical Support for our Billing and Accounting System. There was also a question about a Sewer project in Summit Park. That was the engineering for the Summit Park water infrastructure replacement project this summer, it's item description was misleading. Ian Schofield made a motion to approve the Consent Agenda items. Seconded by Karin Wilson. All voted yes, motion carried.
- 6. Questions on Department Updates:** There was a lengthy discussion about the easements needed between Red Hawk and Glenwild. MRW plans to install a new water main from the Red Hawk system down to upper Snow Berry St. in Glenwild to improve the level of service and fire protection of the homes on upper Snow Berry St. and the surrounding wildland areas. An easement is required for MRW to perform the work. Scott Morrison is working to obtain the easement with the home owner.

Doug Evans discussed the possibility of obtaining a Blue Sky grant for a solar array at the Signal Hill Water Treatment Plant. He was introducing the project to the Board. The pay back period is projected to be 6.2 years. There were a few questions from the Board and general support for the project, Tim suggested that the staff do a pros and

cons analysis of the project to further evaluate. This will be a future discussion for the Board.

7. Certification of Delinquent Fees and Charges: Marti Gee

Recommendation of approval of the Certification of Liens for Delinquent Fees and Charges to Summit County Treasurer for Collection made by Karin Wilson. Seconded by Ian Schofield. All voted yes, motion carried.

8. Financial Management: Lisa Hoffman

- a. Executive Summary: Lisa Hoffman reported that Through May 2019, change in net position (net income/(net loss) is (\$284,197) – which is \$704,503 better than projected. This positive variance resulted from higher revenue that exceeds projections by \$377,754 (11.8%), primarily due to higher retail water sales of \$146,220 and higher interest earnings of \$85,058 (due to higher cash balances than budgeted). Additionally, expenses are \$326,749 (7.8%) lower than projected, primarily due to lower repair and maintenance costs in Distribution and lower operating costs at Lost Canyon in power and salaries.

total cash increased \$324,740 (2.2%) to \$15.2 million during May 2019. The current Operating Cash & Reserves balance of \$6.25 million represents a healthy 324 days reserves compared to 249 a year ago. Debt Reserves Held by Trustee increased \$302,719 (17.3%) from transfers to make scheduled interest and principal payments during 2019. Debt Reserves Held by District increased \$121,781 (4.2%) mainly due to additional Impact Fees that have been deposited. The decrease of \$212,208 in Other Restricted Cash was due to the use of those funds to pay for the new carbon and membranes at the Treatment Plant. Total cash has increased \$2.16 million (16.6%) from May 2018.

Through May 2019 there were 52 new water connections and \$295,866 in impact fees. The 52 new connections is higher than the four year average of 47. Total impact fee collections are down 37.7% as compared to the four year average although there are more new connections. This is due to the fact that 20 of these connections have been paid for with prepaids and another 18 of these connections are in Promontory where impact fees are less. The average impact fee per connection is also lower than the four year average for the same reasons.

Year-to-date water consumption by District customers of 374 acre feet was 6.6% below the average over the past four years of 400 acre feet, this is due to the wet and cool spring that has slowed the use by large users such as the Promontory golf courses, as well as residential customers delaying the use of water for lawns and landscaping. Year-to-date Park City usage was 29.9% higher than the four-year average (although down from last year) as they continue to take more water than they have historically. Summit Water has taken 253 acre feet year-to-date, which is 3.2% below the three-year-average of 261. It is anticipated Summit Water will make up this difference in the second half of 2019 and take their full contracted amount of 800 acre feet.

The District's largest current Capital Project, the Community Water Infrastructure project, is going to start ramping up now that the annexation is complete. The District has spent approximately \$36,647, which is primarily related to \$27,000 of line work performed this summer in an area of the project that was already under construction.

The meter program is still underway and we anticipate contracting for the additional \$225,000 of meters in the coming months.

The Silver Creek "EPA Line" was approved by the EPA and has been installed. The line requires testing and flushing before it will be fully operational.

The 2019 RAM truck for \$28,992 has been received and is having a shell, lights, etc... added at this time. The dump truck for \$163,804 is expected to be received later this summer.

A new boiler (\$15,620) has been purchased for the treatment plant and will be installed in the near future to work with, and provide redundancy with the older boiler that required repairs.

b. Other: None.

9. Policy Document Revisions: Scott Morrison

Recommendation of Approval of Updated Personnel Policies, Rules and Regulations and Administrative Policies to the Governing Board of Mountain Regional Water: Scott Morrison explained to the board the changes that staff were recommending. Since the May Administrative Control Board meeting, the following changes have been made:

Administrative Policy

- o Section 1.6 - Updated senior management position list (replaced Director of Energy & Technology Management with Chief Technical Officer, added District Engineer)

Rules and Regulations

- o Reorganized document
- o Incorporated Board recommendations
- o Section 3.1 A – Removed the ability for customer to reduce ERC count to 1
- o Section 3.1 G, H – Added Impact Fee Review and Fire Flow Report fees
- o Section 7.0 – minor clarifications

Scott Morrison and Dave Thomas also discussed House Bill 163 Public Owned Property Bill and the changes necessary to meet this new law in MRW policies. Summit County has presented a Personal Use Policy to MRW and recommended adoption into MRW policies. Scott and Lisa Hoffman will work with the Summit County Attorney's Office and Personnel Director to properly incorporate these statutory changes. Motion made for the Recommendation of Approval of Updated Personnel Policies, Rules and Regulations and Administrative Policies to the Governing Board of Mountain Regional Water by Ian Schofield, including any necessary changes related to HB 163. Seconded by Tim Dougherty. All voted yes, motion carried.

10. Update on Community Water: All staff discussed how the transition was going. The transition has been smooth to date, billing updates are in the process and will be ready to go by July 1 for the June billing. Dave Thomas reported that Larry White has left the organization. Many of the tasks for TCFC have moved to Toronto, Canada the home of Talisker. Two agreements are still outstanding, the Summit Water Interconnect Agreement and the Suplus Water Agreement for the ski lodges on the resort. Neither of these agreements were required as part of the annexation process.

11. Impact Fee Facilities Plan Presentation: Scott Morrison and Doug Evans presented an overview of the draft Impact Fee Facilities Plan (IFFP). The overview discussed the report components: district background, impact fee components, inputs to calculating the impact fees (level of service, growth projections, project list), the methodology for calculating the impact fee components, a summary of the component fees, and the methodology for calculating the impact fees for a new project or residence. The Board had a small number of clarifying questions and requested the Excel spreadsheet to

perform a deeper review of the data. The IFFP will be discussed during the July 11th Board meeting in further detail.

12. Legal: Dave Thomas

- a. Consideration of Recommendation of approval of the 7-11 Annexation to the Governing Body of Mountain Regional Water: Tim Dougherty made a motion to Recommend to the Governing Body of Mountain Regional Water the Annexation of the 7-11 Parcel into Mountain Regional Water Special Service District. Seconded by Ian Schofield. All voted yes, motion carried.
- b. Other: None.

13. Chief Technical Officer & GPS/GIS Job Descriptions: Scott Morrison

Karin Wilson made a motion to approve the Chief Technical Officer & GPS / GIS Administrator job descriptions. Seconded by Ian Schofield. All voted yes, motion carried.

14. General Manager Comments: Scott Morrison

- a. Other: Scott discussed the Red Hawk Easement, the bid for the Stagecoach and Red Hawk pipelines, rejection of the bids, possible change of scope of the alignment of the pipelines, scheduling a meeting with the Council (Karin will be available), and the possibility of being appointed to Utah's Division of Drinking Water Board.

15. Adjourn: The meeting was adjourned at 8:45 pm.

Pursuant to the American with Disabilities Act, Individuals needing assistance attending the meeting, June 20, 2019 should contact Marti Gee at 435-940-1916 ext. 302 to make arrangements. The next MRW Administrative Control Board Meeting will be held on July 11, 2019.