



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

ADMINISTRATIVE CONTROL BOARD

MEETING MINUTES

SEPT 17, 2015

ATTENDANCE:

BOARD MEMBERS:

STAFF MEMBERS:

ANDY ARMSTRONG

MARTI GEE

SCOTT GREEN

LISA HOFFMAN

EXCUSED:

MIKE TODD

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **September 17, 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 are general in nature and were subject to change by the Board.

- 1. 6:30 p.m. Call to Order & Public Input: (5 Minutes)6:35**
- 2. Consideration of Approve of Meeting Minutes for August 25, 2015: (5 Minutes)** Brett Mickelson made a motion to approve the Meeting Minutes for August 25, 2015. Second by B. Todd Hopkinson. All voted in favor, motion carried. B. Todd Hopkinson told the Board and staff that he received a call from residents from Silver Springs about the 6 acre feet of water that is MRWSSD responsibility to be delivered to the Silver Springs Lakes.

He stated that the residents also had concerns about Park City Nursery taking water without a meter totalizing the water out of the stream. Residents think that they may be taking more water than their water rights allow for. They also had concerns about a reservoir under the nursery to store water also. Marti Gee suggested that the Weber River Water Commissioner be contacted and that they were the responsible party to ensure that the proper amount of acre feet are used and metered. She will provide a contact for B. Todd Hopkinson. B. Todd Hopkinson officially told the board the he is going to resign after the meeting tonight. He stated in the time he served as a Board Member he was very happy with the staff and management. Scott Green had a concern about the Budget meeting with the Finance Committee. This is a requirement and requested that an interim Finance Chairman be appointed for the rest of the year. Chris Eggleton volunteered to be the interim Finance Committee Chair and would like to have Mike Todd join him in the Budget meetings. Chris Eggleton will contact the council about B. Todd Hopkinson resignation and request that the board remain at 5 members.

3. Motion to move into Executive Session for Personnel: (20 Minutes) Motion made by B.

Todd Hopkinson to move into Executive Session for Personnel. Seconded by Mike Kobe. All voted yes, motion carried.

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

5. Personnel:

A. Consideration of Approval of the General Manager's Contract: (10 Minutes) Motion made by B. Todd Hopkinson to approve the General Manager's Contract subject to some red lines changes in the draft document for review. The motion also includes the authority for Chris Eggleton to make the redline changes and sign on behalf of the MRW Board. Seconded by Brett Mickelson. All voted yes, motion carried

- B.** Consideration of Approval of Tuition Assistance Agreement: (5 Minutes) Motion made by Mike Kobe to approve the Tuition Assistance Agreement. Seconded by B. Todd Hopkinson. All voted yes, motion carried.
- C.** Other: Kathy Gratteau has been hired to assist Scott Green and Lisa Hoffman in finance; she will be a part time employee for MRW.

6. Legal:

- A.** Consideration of Approval of the Notice of Award on Bison Bluff Well Drilling: (5 Minutes) Andy Armstrong would like to award Boart Longyear Company when they produce the necessary documentation for their contract. They are very qualified and are under the engineer's estimate for the work to be completed. There were four bids submitted on this project. Mike Kobe had a questions about well 15 a. It is a small diameter 6 – 8 inch well that has been used as a monitoring well for well 15 b. Motion made by Brett Mickelson to execute the Boart Longyear Contract and have Chris Eggleton sign as owner designee, Andy Armstrong as the Procurement Officer and Scott Green to sign as the Financial Officer. Seconded by B. Todd Hopkinson. All voted yes, motion carried.
- B.** Consideration of Approval of the Notice to Proceed on Bison Bluff Well Drilling: (5 Minutes) Brett Mickelson made a motion to give Andy Armstrong the authority to sign the Notice of Award and the Notice to Proceed. Seconded by B. Todd Hopkinson. All voted yes, motion carried.
- C.** Consideration of the Memo and Change Order for Extreme Excavation for the Promontory for Pipeline and Bison Bluff Well earth work: (10 Minutes) Discussion about the project continued about the tank and the usage on the tank is a concern to prevent water quality issues and the need for redundancy. The change order for the water lines and the well site improvements are projects that the contractor Extreme

Excavation can do for MRWSSD. They are working on the Promontory Middle Valley Tank and can complete at very competitive prices and quickly. See Change Orders. There was some concern by the Board members had some concerns about the change orders and the proper procurement process that needs to be followed. Andy suggested that the motion could say pending MRW Attorney's approval. Motion made by Brett Mickelson to approve the change order subject to a MOU approval by MRWSSD Attorney on the procurement process and with that approval authorization for Andy Armstrong to sign the Change Order for Extreme Excavation. Seconded by Mike Kobe. All voted yes, motion carried.

D. Consideration of Approval of the Operations Agreement with Silver Creek Village: (15 Minutes) Andy Armstrong explained that the pre-existing contractual agreement on pre-paid connections that were given to the original owner of the project by Atkinson Special Service District years ago are in effect and would supersede any Rules and Regulations that MRWSSD would have for Impact Fees currently. Based on a Third District court decision the old agreements supersede MRW Rules and Regulations. Scott Green got the Operations Agreement with Silver Creek Village to Craig Smith to review and they are not completed quite yet. The Template for the Agreement will not change in meaning, but needs Craig Smith's MRW Attorney's approval. Need to come to an agreement with Craig Smith on the agreement. Mike Kobe made a motion to approve the Agreement and authorize Chris Eggleton to sign the Operating Agreement once Staff and Legal Counsel agree with the language on the past agreements, if it substantially changes it need to come back to MRW's Board for future consideration of approval. Seconded by B. Todd Hopkinson. All voted yes, motion carried.

E. Other: None

7. Financial:

A. August Financial Reports (10 Minutes) See Scott Green reports. Key items are the Unbudgeted 2015 Wholesale Water Sales will be collected as Summit Water purchased 400 acre feet of District water in 2015. The estimated cash benefit is \$175,000. The District will put this into a regionalization reserve to help fund and estimated \$275,000 in annual regionalization cost the District will incur starting in 2019. In addition , another \$200,000 of impact fees beyond what was budgeted was used to pay debt service in 2015 in order to allow a \$200,000 transfer of unrestricted cash to the regionalization reserve; bringing the total 2015 contribution to the reserve to \$375,000. Building activity remains strong over the past year with 90 new connections thru August 2015. Total Revenue is 16.7 ahead of projections. Water Sales are \$229,717 under projections due to cool wet weather; while Development related collections are 996,873 ahead of budget. Since impact fee collections have significantly exceeded budget, and additional \$450,000 was used to pay 2015 debt service beyond what was budgeted. In addition to the \$200,000 discussed above related to the regionalization reserves, another \$250,000 was used to pay debt service in order to free up unrestricted cash to cover the cost of higher than expected repairs earlier in the year. Since then, repairs have leveled off to normal levels, meaning the \$250,000 unrestricted cash that was freed up can be used to mitigate the Water Sales shortfall. Other Revenue included late fees, penalties, contracted services, and amortized grant revenue, among other small items. Motion made by B. Todd Hopkinson to approve the August Financial Reports. Seconded by Brett Mickelson. All voted yes, motion carried.

B. Other: (5 Minutes): None.

8. General Manager Updates:

- A. Summit Water Update: (5 Minutes)** Andy Armstrong told the Board about his proposal to Summit Water to sell more water with a lower peaking factor in 2016. Pricing 400 ac. ft. and sell another 300 ac ft. of water. Summit Water has 400 ac feet of water in 2015 with a peaking factor or 2. Next year he has offered 700 acre feet of water with the water used in the summer months a peaking factor of 1.4 and a peaking factor of 2 in the winter. This will allow MRW to have an easier delivery of water for Summit Water. Because of the peaking factor changes the price for water will go from \$1,124.00 to \$978.00. Summit Water will need to have their Board approve the agreement also. Andy Armstrong would like to have the board make a motion to approve Andy Armstrong have the authority to sign the MOU agreement. Brett Mickelson made a Motion authorize Andy Armstrong to sign the MOU with Summit Water as prepared. Seconded B. Todd Hopkinson. All voted yes, motion carried.
- B. Concurrency Update: (5 Minutes)** Andy Armstrong discussed a meeting he had with the Water Quality Committee. He stated it was a good meeting and had the three largest water company's managers input on what should be covered in any new ordinance for water concurrency. Paper Water Rights are regulated by the Utah State Engineer and under their jurisdiction. Water Quality for Drinking water is under the Division of Drinking Water they have primacy from EPA to regulate the water companies and that includes water quality. The final things the water company managers though were important were the available Water Sources and how many customers that are served. Andy Armstrong explained that a document is being drafted to cover what the water managers will propose is in the new concurrency ordinance. Concurrency does not cover Park City.
- C. Water Rights Transfer MRWSSD Update: (5 Minutes)** Water Rights transfer had a good meeting with the State Engineer Kent Jones and he asked good questions. The

approach to get water credits for importing water theory was to request credit for importing water to help the water environment. From the Lost Canyon pump station bringing Weber River water and importing water from East Canyon to Silver Creek to the new Bison Bluffs well is what MRW would like to get some additional water right credits for. It would be from return flow goes back into the water shed. Golf Course are very efficient with their water usage and MRW cannot use the numbers that the farmers use for returned flows because of the efficiencies that the Golf Courses have. The State Engineer wanted to make sure that Weber Basin Water Conservancy District was going to support this move. Andy Armstrong stated that a meeting has been scheduled. The only wells in the area that could possibility be effected are MRW wells. Andy Armstrong will keep the board posted.

- D. Other: Andy Armstrong reported to the Board that Rocky Mountain Power energy savings have been good. There will be a presentation to the Board in January with the energy savings reports. They have been significant.

9. Public Service:

- A. Other: Discuss Date for the October 22, 2015 Board Meeting: Marti Gee will email the Board to make sure we can meet on October 22, 2015.

B.

10. Other: None.

11. Adjourn: The meeting adjourned at 8:26 p.m.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the October 22 , 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.