



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD

MEETING MINUTES

JUNE 7, 2016

ATTENDANCE:

BOARD MEMBERS:

MIKE KOBE
BRETT MICKELSON
MIKE TODD

STAFF MEMBERS:

ANDY ARMSTRONG
MARTI GEE
SCOTT GREEN
LISA HOFFMAN
SCOTT MORRISON

EXCUSED:

CHRIS EGGLETON
MATT LINDON

GUESTS:

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah will meet in Regular Meeting session **June 7, 2016** 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 is the agenda for said session all times listed are general in nature are subject to change by the Board.

- 1. 6:30 p.m. Call to Order & Public Input:** Acting Chairman Mike Kobe called the meeting to order at 6:40 p.m. No public attended the meeting; therefore there was not public input at this meeting.
- 2. Motion to Motion to move into Closed Session for Executive Session for Personnel:** Motion mad by Brett Mickelson to move into Closed Session for Executive

Session for Personnel. The motion was seconded by Mike Todd. Mike Kobe vacated the chair; all voted yes, motion carried.

- 3. Motion to move into Open Session:** Motion made by Mike Todd to move into Open Session. Motion was seconded by Brett Mickelson. Mike Kobe vacated the chair; all voted yes, motion carried.

4. Financial:

- A. Review April 2016 Financial Reports:** Scott Green reported through April 2016, change in net positions (net income) is negative \$404,936 – which is \$167,864 better than projected. This positive variance is due to expenses and expenditure that are 5.6 % under budget. Change in net position for 2016 is \$369,507 less than last year at this time as building related revenue has declined.

Impact fee collections are lower as many of the new connections are in Promontory – which has a much lower impact fee than the rest of the District since its infrastructure was funded with special assessments. The District needs to monitor impact fees very closely in 2016; although it could experience a moderate decline in impact fee collections in 2016 and likely still meet the 1.25 debt coverage requirement.

Total revenue year-to-date is \$6,076 (.3%) ahead of projections. Although revenue is \$228,529 (9.0%) lower than last year at this time, 2015 revenue exceeded budget by \$1.29 million.

Water Sales are 4.6% ahead of budget due to higher consumption related to customer growth. Park City wheeling fees are also 23.5% ahead of projections, due a higher than anticipated monthly base water rate for 2016. As such, the increase in wheeling fees is not due to higher water deliveries.

Development related collections, including impact fee and special assessment collections are 23.3% under budget; and 58.6% less than last year-to-date. Weber

Basin Regionalization year-to-date revenue is close to budget. Mountain Regional has 181 days covered for the reserves and 131 days are required.

Operations, Maintenance & Repairs is 5.5% under budget due to fewer repairs, while Non-OM&R budgets are 9.4% below projections since the capital projects funded from the Series 2014 bonds are not preceding as quickly as anticipated in the budget.

Operations, Maintenance & Repairs is slightly higher than last year at this time; as the District added employee's mid-year to help with the increase in water production related to wholesale water sales, and to finalize implementation of the management transition program.

B. Consideration of Approval of April 2016 Check Register: Lisa Hoffman reported that IMA reimbursements for Colony impact fees and Promontory reimbursement checks were the only checks that were above the 10,000 limits this month. Mike Todd made a motion to approve the April 2016 Check Register. Seconded by Brett Mickelson. Mike Kobe vacated the chair; all voted yes, motion carried.

C. Consideration of approval of P. O.'s:

- i. Energy Management Corporation for \$62,703 and EC Power Systems for \$69,963 for a Generator and Transfer Switch. Lisa Hoffman reported that three bids were received for the project. One bid was unresponsive and did not follow the required needs for the P. O., that bid was rejected. There were two valid bids to review. The lowest bid was selected. After staff researched the three options for decibel control of the generator, the middle selection was chosen. It will only be used if there is an emergency or for normal maintenance of the generator. Summit County noise ordinance applies to this location in Promontory. The noise ordinance is usually complaint driven and MRWSSD will mitigate hours of operation unless an emergency situation occurs. This location is somewhat close to the homes in lower Promontory, but has quite a distance from the

nearest home. A discussion occurred with the Board Members on the decibels range. The generator is rated at 78 decibels. It is triple enclosure to mitigate the sound. Mike Todd asked if we will be getting complaints with the decibels levels. Staff commented that there have been no complaints as of yet. The Board discussed the choice of the middle selection of generators and agreed that that was a good choice in this situation. Impact Fees will need to be evaluated with serving the Canyons area. That area was not considered in the last Impact Fee Analysis.

- ii. CH Spencer for the Pump and Motor \$122,500. Two bids were received for this P O. Only one bid was responsive for the Pump and Motor. The other bid was higher than price than the one that responded to the requirements for the P.O. MRWSSD followed the procurement procedure for the district for the P.O.'s. Motion made by Brett Mickelson move to approve the purchase orders for Energy Management Corporation of \$62,703.00 and CH Spencer & Co. for \$122,500.00. Seconded by Mike Todd. Mike Kobe vacated the chair; all voted yes, motion carried.

D. Presentation of Annual Bond Disclosure: Required by the bonds indenture for the bonding and rating agencies each year, gives annual financial information about MRWSSD each year. The report discussed the District's debt and ability to repay the debt. The requirement for MRWSSD is 1.25% of the annual debt payment in reserve. MRWSSD has been carrying 1.4 – 1.5 of the annual debt payment in reserve that last few years but last year was 1.79%. No action was required by the Board on this matter.

E. Other: None.

5. Legal:

A. Review and Consideration of Approval of the Interlocal Agreement – County Services:

Tom Fisher the Summit County Manager suggested that to improve efficiencies and better align to County goals reduce financial and liability risk's, and standardize services under the purview of the Summit County Council that the District use certain services and tasks that the County could perform for MRWSSD. Services such as the Summit County Attorney services and shall receive reasonable compensation or reimbursement for the services rendered. The legal services will be \$2000.00 per month or \$24,000.00 per year. The billings will begin next year to assist us in this year budget. Mike Kobe requested that a county attorney representative attend the MRWSSD Control Board Meetings. Scott Green will contact Dave Thomas and request that he or a representative attend all of the MRWSSD meetings. Motion made by Mike Todd to approve the Interlocal cooperation Agreement for county Services (2017 – 2026). Seconded by Brett Mickelson. Mike Kobe vacated the chair, all voted yes, motion carried.

B. Review and Consideration of Adoption for Resolution Reducing Connection Fees-

Meter / MXU: Scott Green recommended to the Control Board to adopt the resolution to reduce the new meter connection fee in instances where multiple meters serving condo or apartment units in a single building are all installed in a single location. The recommendation is to charge the full meter connection for the first meter installed in that single location and 50% of the fee for all additional meters installed at the same location. Under state law, service districts must assess rates, fees and charges that are "fair and reasonable". The law does not require a detailed analysis to establish those rates, fees and charges-with the exception of impact fees and special assessments. Andy Armstrong wants to have it adopted today and in place. Motion to adopt the Reduced Connection Fees for Multi-Unit Dwellings made by Mike Todd.

Seconded by Brett Mickelson. Mike Kobe vacated the chair; all voted yes, motion carried.

- C.** Consideration of approval for the Notice of Award for the Bison Bluffs Well Pump Station and authorize the approval of the Notice to Proceed once the appropriate documents are provided by contractor to MRWSSD and authorize Lisa Hoffman to sign the Notice to Proceed. There were 6 bids and there was a very low bid did not include all of the submittals. When the low bid was tabulated there were arithmetic errors. They have asked to forfeit their bid and Andy give them a letter with withdrawing their bid due to the errors and lack of submittals. Nielson Brothers was the responsive lowest bidder. Their paperwork was meticulous and our pervious audit of the water treatment improvements that they did in the past for MRWSSD was excellent. Motion to approve Neilson Brothers and authorize the approval of the Notice to Proceed once the appropriate documents are provided by contractor to MRWSSD and authorize Lisa Hoffman to sign the Notice to Proceed recommended by General Manager Andy Armstrong made by Mike Todd. Seconded by Brett Mickelson. Mike Kobe vacated the chair; all voted yes, motion carried.

D. Other

6. General Manager Update:

- A.** Future Water Tank Update: Andy Armstrong stated that the Future Water Tank is coming along well. The plans are ready to go to the planning commission June 14. Scott Morrison will be presenting it at the meeting. The goal is to get a positive recommendation conditional use permit from the Western Planning Commission.
- B.** Concurrency Update: The new Concurrency Ordinance was approved last night by the Summit County Health Board. In the past the concurrency program cost the district \$15,000-30,000 per year. The new Concurrency Ordinance should cost less due to the information that will be discussed. Mike Todd asked about concurrency

and what it entails. Andy Armstrong discussed concurrency and its goal is to regulate the water testing, capacity, and demands on each water system in Snyderville Basin. He explained that Summit County Health Department hired Hanson Allen and Luce to monitor the systems. Over the years all of the aspects of the water systems were discussed with the concurrency ordinance. Andy Armstrong was asked by the Summit County Health Director to rewrite the ordinance with the changes proposed for the new ordinance. Doug Evans and Andy Armstrong wrote the ordinance and it went through many reviews and the final one was adopted this week. It will monitor Sources production and demands on a spreadsheet. There was discussion to book the entire stand by customers on the books. Andy Armstrong stated that 70 customers are converted from 1800 stand by customers each year that build homes. It will be many years before all of the stand by customers need water service. One more important fact that was discussed was the water standard for each ERC or equivalent residential connection. All water companies have been using .86 gpm. This is not a state standard. The discussion was for each water company to submit their ERC usage based on historical data. Park City Special Service District did not want to participate in Concurrency. Park City will not be required just the water companies in Snyderville Basin are participating in Concurrency.

- C. Other: Regionalization:** A regionalization meeting was held today 6/7/2016 with Weber Basin, Park City, MRWSSD, SWDC, Summit County Councilman Chris Robinson, Summit County Manager Tom Fisher and Dave Thomas Summit County Attorney. The meeting was at Weber Basin's offices in Layton. Taige Flint discussed the agreements in place before the proposals were presented. Commissioner Chris Robinson explained that the water community engineers will need to work on a month to month basis and address what the new projects that would be needed in the future and potentially meet quarterly at meetings to discuss growth and the need for

progress on a future project. There is a need in 2020 for 350 Acre Feet of water for Summit Water Distribution Company. Andy Armstrong discussed that water may be found by the water companies to supply the need. Everyone needs to assess their sources. Also there will be a charge with the current agreement of \$350,000 thousand dollars per year from MRWSSD due in 2020 to Weber Basin. Weber Basin wants to start a project now. If the water companies can find 350 acre feet of water now the new project could delay the start of the project until 2025. Round Valley was discussed for the energy savings on a future reservoir site. The Board discussed that Andy Armstrong represented MRWSSD well at the meeting. Future information will be available soon.

- 7. Adjourn:** Brett Mickelson made a motion to adjourn the meeting at 8:26. Seconded by Mike Todd. Mike Kobe vacated the chair and all voted yes, motion carried.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the July 12, 2016 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.