



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

APPROVED 3/12/20

Administrative Control Board Meeting Minutes

Meeting Date: February 20, 2020

Attendance:

Board Members:

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

Staff:

Scott Morrison
Steve Anderson
Lisa Hoffman
Brian Davenport
Anna Peacock

Summit County Attorneys:

Dave Thomas
Blaine Thomas

Guests:

None

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on (February 20, 2020) at the Snyderville Basin Recreation District Office Board Room - 5715 Trailside Drive, Park City Utah, 84098 at 6:00 p.m.

- 1. Call to Order and Public Input:** Mike called to Order @ 6:03 pm
- 2. Executive Session – Personnel, Property Acquisition, Possible Litigation:** Motion to move into Executive Session made by Tim Dougherty. Seconded by Karin Wilson, all voted yes, motion carried.
- 3. Move into Open Session:** Motion to move into Open Session made by Ian Schofield. Seconded by Tim Dougherty, all voted yes, motion carried.
- 4. Consent Agenda:**
 - a. Approval of the (January 2020) ACB Meeting Minutes: No comments

- b. Approval of the (January 2020) Check Register: Karin asked about the refund check to IMA, Lisa explained it was their quarterly reimbursement. Tim Dougherty asked for clarification regarding the check to Gorgoza Mutual Water Company, Scott explained that it was the second payment for the water line agreement that was signed in 2019.
- c. Consideration of Approval of P.O.:
Pall Water Technology Services \$160,280.63 & Calgon Carbon \$89,353.00
- d. Other

Motion to approve the Consent Agenda made by Karin Wilson. Seconded by Tim Dougherty, all voted yes, motion carried.

5. Questions on Department Updates:

(a. General Manager)

Karin asked about the cell phone policy amendments planned to be in front of the Board in March. Scott explained the policy changes stem from the Personal Use policy that was adopted in 2019 which led to some employee concerns. The District plans to move away from administering a cell phone plan and just provide a reimbursement to District employees. Karin asked about the new well production? Scott explained that the well production was not as good as expected due to the grout seal likely sealing off a portion of the production zone. Bottom line, the District will need to seek additional source development to support future growth with a focus on fully utilizing the Lost Canyon system.

Tim asked who Pine Meadows Mutual Water Company and why are we in discussions? Scott explained the Toll Gate Community will need additional source in the future and they would like to have an agreement in place with Mountain Regional to provide that source long term.

Bob asked if Weber Basin had comments on our Regional Water Supply contract for 2020, Scott explained they are currently reviewing it.

(b. Finance)

(c. Public Service)

(d. Energy & Tech)

Bob asked about the water usage data topic in the Energy & Technology report. Scott explained the data integrity effort that the District is working on.

(e. Engineering) Ian asked about Scott covering the Staff Engineer responsibilities while the position is vacant and requested Scott focus on his managerial role and delegate the engineering responsibilities whenever possible. MRW has interviewed candidates and hopes to fill the position in the next couple of weeks.

(f. Operations) Bob asked about leaks in Summit Park. Brian said these leaks were business as usual, no property damage.

6. Financial Management: Lisa Hoffman

- a. January 2020 Financial Report: Steve gave review, highlights included:
 - Through January 2020, change in net position (net income) is \$133,873 – which is \$228,623 better than projected.
 - The current Operating Cash & Reserves balance of \$5.67 million represents a healthy 280 days reserves compared to 325 a year ago.
 - The 6 new connections are right on the four-year average.
 - Year-to-date water consumption by District customers of 35.9 acre feet was higher than the average over the past four years of 25 acre feet.
 - Community Water Infrastructure: \$743,713 has been expended to date of the anticipated loan of \$2.6 million.
 - Annual Capital Budget: System Improvements – the Glenwild line is expected to be complete in the first half of 2020. The Nugget Well and Cove Pipeline repairs will be completed this summer, along with the Glenwild and Kilby pump upgrades. The Summit Park project has been bid and came in under budget at \$375,000. The Weber Basin Interconnect project is underway and expected to also be completed in 2020.
 - Capital equipment and vehicle: The one truck planned to be purchased during 2020 has been ordered. The ordering of an office vehicle should be happening shortly.
- b. Presentation of the 2019 Year End Financial Report: Lisa gave review, highlights included:
 - Through December the Change in Net Position (net income) Before Transfers is \$3.30 million which is \$1.91 million better than projected.
 - Total revenue for 2019 is \$12.60 million which is \$894,580 (7.6%) ahead of projections. The majority of the difference was related to higher Development Related Collections.
 - Total Cash Expenditures of \$7.59 million are \$852,374 (10.1%) lower than budgeted, leading to the better than expected Change in Net Position.
 - Total cash ended 2019 at \$14.41 million, an increase of \$817,029 (6.0%) over December 2018.
 - In 2019, there were 145 new connections which is above the four-year-average of 124 new connections. However, the total impact fee collections were 10.3% lower. This is due to 67 (43.2%) of the 145 new

connections paying impact fees with prepaids, decreasing the amount of funds received per connection.

- 2019 water consumption by District customers was 4.6% above the average over the past four years at 1,890 acre-feet. This was largely due to the addition of 500 new customers as part of the Community Water annexation in June 2019.
- Capital Budget
 - The Community Water annexation was completed in June 2019 and \$739,313 has been spent to date of the anticipated loan of \$2.6 million.
 - System improvement projects are complete and will be capitalized at year end, with the exception of a portion of the Glenwild Line to be finished in 2020.
 - The meter changeout program is substantially complete and all costs will have been capitalized as of 12/31/19.
 - The SilverCreek – EPA line has been completed and capitalized greatly adding to the functionality of the new Silver Creek Tank
 - Land Acquisition for the Silver Creek property was completed in December for \$163,740.
 - Willow Creek Interconnect, Summit Park, Weber Basin Interconnect, and Land Acquisition Office Site will carry forward to next year.
 - Capital equipment and vehicle purchases are complete with the exception of approximately \$50,000 for a generator at the Treatment Plant which will carry over to 2020.
- c. Presentation of the Semi Annual Cash Report: Lisa stated that the report is in the packet, and for Board members to reach out with any questions.
- d. Update on Consultant for Regional Water Supply Rate: Scott updated the Board, staff has met with Zions Bank and Lewis Young, either group would provide a professional product. Staff has requested proposals from both parties.
- e. Other-

7. Legal: Dave Thomas

- a. Update on Promontory Infrastructure Agreement - Agreement just needs signatures
- b. Other

8. General Manager Comments:

- a. Leadership Meeting - Karin thought it went well and was happy with the support from the County Council representatives.
- b. 2020 Weber Basin Contract- reduced the acre feet to 600. Waiting on Weber Basin's review comments.
- c. Update on Search for Staff Engineer Candidate: Applications in from about 6 people, 1 candidate has been interviewed. Lisa and Scott will review the candidates and determine if any additional interviews are needed.
- d. Other:

9. Adjourn: 7:07 pm

Pursuant to the American with Disabilities Act, Individuals needing assistance attending the meeting February 20th, 2020 should contact Marti Gee at 435-940-1916 ext. 302 to make arrangements. The next MRW Administrative Control Board Meeting will be held on March 12th, 2020.