



**MOUNTAIN REGIONAL WATER**  
**SPECIAL SERVICE DISTRICT**

**ADMINISTRATIVE CONTROL BOARD**  
**MINUTES**  
**AUGUST 11, 2016**

**ATTENDANCE:**

**BOARD MEMBERS:**

CHRIS EGGLETON  
MIKE KOBE  
BRETT MICKELSON  
MATT LINDON  
MIKE TODD

**STAFF MEMBERS:**

ANDY ARMSTRONG  
MARTI GEE  
SCOTT GREEN  
LISA HOFFMAN  
SCOTT MORRISON

**GUESTS:**

HELEN STRACHAN DEPUTY SUMMIT COUNTY ATTORNEY

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah will meet in Regular Meeting session **August 11, 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:** Chris Eggleton called the meeting to order at 6:36 p.m. No public Input was given.
- 2. Motion to Motion to move into Closed Session for Executive Session for Personnel:**  
Mike Kobe made a motion to move into Closed Session for Executive Session on Personnel. Seconded by Brett Mickelson. All voted yes, motion carried.

**3. Motion to move into Open Session:** Mike Kobe made a motion move out of Executive Session to Open Session and to authorize Andy Armstrong to sign the Associates Degree contract and the Bachelor Degree Agreements as discussed in the Closed Session for Executive Session. Seconded by Brett Mickelson. All voted yes, motion carried.

**4. Motion to approve the July 12, 2016 Mountain Regional Water Special Service District Meeting Minutes.** Motion made by Brett Mickelson to approve the July 12, 2016 Mountain Regional Water Special Service District Minutes. Seconded by Matt Lindon. All voted yes, motion carried.

**5. Financial:**

**A. Review June 2016 Financial Reports:** Scott Green reported that through June 2016, the change in net position (net income) is \$533,096 – which is \$615,196 better than projected. This positive variance resulted, in part, from expenses and expenditures that are \$264,516 (6.1%) under budget. Although revenue is \$350,680 (8.3%) over budget thru June, five extra days water usage was included in the June 2016 billings due to problems with the meter reading equipment. This resulted in higher June water sales that likely represent \$150,000 of this positive variance. In turn, there will be a five less days of usage metered in July bills, so the June increase will be offset by the corresponding reduction in July water sales.

Impact fees collections were strong during May and June. Total revenue year-to-date is \$350,680 (8.3%) ahead of projections. Water sales are \$244,567 (9.8%) ahead of budget. Park City wheeling fees are also \$44,444 (18.8%) ahead of projections due to a higher than anticipated monthly base water rate for 2016. Promontory raw water sales for its golf courses are right on budget, as are the Weber Basin Regionalization fees since the related wholesale contract is on a take-or-pay basis. Development related collections are ahead of year-to-date projections for the first time in 2016 with a

positive variance thru June (4%). Promontory assessments collections are \$170,729 (30.3%) under budget although in November 2016 Promontory is required to make up any shortfall in 2016 assessment collections. Operations is \$186,629 (5.3%) under budget thru June 2016. Operations, Maintenance & Repairs are \$144,622 (6.5%) under budget due to fewer repairs. Depreciation is \$77,754 (9.6%) below project since the capital projects funded from bonds are not proceeding as quickly as anticipated in the budget. Customer Growth has increased to 56 new connections. Eighteen Promontory lots have been sold thru June 2016. Water Consumption is 17.9% higher during June 2016 than the average over the previous three years from 307 acre feet to 362 acre feet. Meanwhile, 2016 year-to-date water consumption of 747 acre feet thru June is 2.1 % higher than the average over the previous three years. Park City's 2016 consumption year-to-date is 28.2 % below the average over the past three years-down from 651 acre feet to 467 acre feet. Park City Wheeling rate is a fixed take-or-pay amount. Summit Water took only 1,000 gallons of wholesale water in June. MRW is told that Summit Water will be taking most of their water in the winter for snow making. Since 700 acre feet is on a take-or-pay basis, the District will collect \$684,600 from Summit Water in 2016 as long as it takes 700 acre feet or less water. If it takes more water, the District will collect additional revenue from Summit Water at much higher usage rates. To date, \$5.51 Million has been spent on budgeted capital projects. Another \$1.68 million has been contractually encumbered – bringing the total committed and spent to date to \$7.19 million. (See June 2016 Unaudited Financial Summary attached)

- B.** Consideration of Approval of June 2016 Check Register: Lisa Hoffman presented the check register. The checks that were over \$10,000 are \$32,929 Impact Fee refund for a home that was not built in the Colony. A check for \$18,743 partial for an Impact Fee

that was over paid. Mountainlands Supply Company was for HVAC filter and pump equipment for Lost Canyon repairs for \$23,897.10. RMP power costs for MRW at \$28,165. There was a check for \$12,272 to Gateway lining repair on carbon tanks lining at the water treatment plant. Chris Eggleton asked if we refund Impact Fees often. Staff response is that it is rare and the refunds were due to special circumstances. Motion made by Brett Mickelson to approve the June 2016 Check Register. Seconded by Mike Kobe. All voted yes, motion carried.

**C.** Consideration of approval of P. O.'s: None.

**D.** Presentation of the June 2016 Cash Report: This is just for the Board's review. Semi Annual Report required was produced to provide the MRW Board and the Utah Money Management Council the Semi Annual Report on MRWSSD. (See Report attached.)

**E.** Other: None.

**6. Legal:**

**A.** Other: None.

**7. General Manager Project Update:**

**A.** LV 4 Canyons project update: Andy Armstrong discussed the fact that LV 4 at the Canyons project signed a Water Service Agreement with MRW and they continue shopping for water service with other providers. Andy Armstrong explained that the change in Water Service Providers charge would apply per ERC if they chose to go to another water service provider. He told the developer that fact and they were going to check with their Attorney on that issue they thought that they only had to give a 30 day notice that they did not want the water service from MRW. The Developers have not formally given notice to MRW that they would not be using MRW as the water service provider.

- B.** Future Hidden Valley reservoir site: (See Handout) Andy Armstrong discussed with the Board a site that has been proposed to Promontory and Weber Basin, Park City Municipal and Summit County. They all have looked favorably at the idea for the new location of the potential reservoir. It would be a reservoir site that would be built by Weber Basin that would store water for MRW and Park City and Summit Water Distribution. It would be used for peak flows and store water for use in peak and non-peak usage. It would be above the Summit County Landfill site in Wanship and behind the Utilite operations. It would involve some other property owners, but the elevation and terrain would lend itself to a possible dam and reservoir site. This would take many years to complete all of the studies and purchases of property for the locations. Doug Evans discovered the location and has been preparing information for the potential location. This was just a preliminary discussion on the idea. The previous site discussed was Round Valley in Summit County that could be problematic for a reservoir site.
- C.** Future Development Projects Update: Silver Creek Village Center update is that a conference call from the potential buyers and MRW staff occurred to discuss the water issues and Rules and Regulations that they would need to comply with. It went well, the sale should occur soon.
- D.** Water Rights Update: No comments have been received by the State Engineer's office on the water right changes.
- E.** Other: Bison Bluffs Well does not have a building permit yet, but should be issued very soon. All information requested has been submitted to Summit County Building Department. No current updates on the New Water Tank. Andy Armstrong mentioned a rate increase that MRWSSD is scheduled to have in 2019. The more wholesale water sold and conservation in power costs and projects, the rate increase

may not be as large as once expected. Scott Green and Lisa will study this and report on this at a later date.

- 8. Adjourn:** Brett Mickelson made a motion to adjourn the meeting at 7:19 p.m. Mike Todd seconded the motion. All voted yes, motion carried.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the September 8 , 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.