



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

ADMINISTRATIVE CONTROL BOARD

MEETING MINUTES

MAY 14, 2015

ATTENDANCE:

BOARD MEMBERS:
B. TODD HOPKINSON
CHRIS EGGLETON
MATT LINDON
BRETT MICKELSON
MIKE KOBE
MIKE TODD

STAFF:

ANDY ARMSTRONG
MARTI GEE
SCOTT GREEN
LAURA MEANS

GUESTS:

EIDE BAILLY STAFF AUDITORS

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **May 14, 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 were general in nature and were subject to change by the Board.

1. **6:30 p.m. Call to Order & Public Input:** Chris Eggleton called the meeting to order at 6:35 pm.

2. **Consideration of Approve of Meeting Minutes for April 23, 2015:** Motion made by Brett Mickelson to approve the April 23, 2015 Meeting Minutes. Seconded by Matt Lindon. All voted yes, motion carried.
3. **Presentation and Discussion of Mountain Regional Water's 2014 Audited Financial Statements by Eide Bailly:** There are three main reports included in the Annual Audit. They are the independent Auditors Report on the Financial Statements. The independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards. Independent Auditor's Report on accordance with the State Compliance Audit Guide on Compliance with General State Compliance Requirements and Internal Control or Compliance.
 - A. Partners of Eide Bailly have reviewed this report due the debt that MRWSSD has for quality control review for the December 2013 – 2014 financial statements of MRWSSD financials. The reports were reviewed for responsibility, audit evidence and appropriateness and reasonableness. The review conclusions are that MRWSSD has meet all of the required elements for a clean audit report.
 - B. The Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards passed the testing that Eide Bailly performed on the Internal Control over financial reporting and compliance on these and other matters.
 - C. Independent Auditors report in accordance with the State Compliance Audit Guide on Compliance with general state compliance requirement and internal control over compliance. Areas that were tested by Eide Bailly were Budgetary Compliance, Utah Retirement Systems, Impact Fees, Nepotism and Utah Public Finance Website. Management is responsible for compliance with the general state requirements. Edie

Bailly conclusions were that MRWSSD was in compliance in all material respects with the compliance requirements that could have a direct and material effect on MRWSSD. Impact fees were higher than estimated for the years audited. Questions: Scott Green needs to correct the dates on the graph on page 4 of the audit report, he will be sending a new graph on page 4 to replace the dates. B. Todd Hopkinson discussed the audit firms and how they were chosen for MRWSSD and how he would recommend that we keep the same firm due to the fact that the firm has changed every couple of years by firms consolidating. Edie Bailly is a major firm for government audits in Utah and they have done the audit for 2 years. B. Todd Hopkinson commented that they did a good job on the audit. Andy Armstrong commented that the wholesale water that MRWSSD sales this year will really be an increase in revenue for MRWSSD.

1. **Motion to move into Executive Session for Personnel:** Motion made by Matt Lindon Seconded B. Todd Hopkinson. All voted yes, motion carried.
2. **Motion to move into Open Session:** Motion to move into Open Session made by Mike Todd. Seconded by Brett Mickelson. All voted yes, motion carried. Motion made by B. Todd Hopkinson to approve the two new employee hires. Mike Kobe seconded. All voted yes, motion carried. We will need to approve a budget amendment in the Fall 2015 for the changes in the Budget for the personnel changes and power changes for peak power costs.
3. **General Manager Updates:**
 - A. Weber Basin Regionalization Update: Andy Armstrong discussed the meeting that he had with Weber Basin, Park City and Summit Water Distribution. Park City wanted a peaking factor of three for the water they have purchased from Weber Basin. Weber Basin said no to the peaking factor of three. MRWSSD, Park City and Summit Water Distribution told Weber Basin that they all wanted to extend the Lost Canyon Project

for the future regional project. Taige Flint, the general manager for Weber Basin said the Lost Canyon expansion project would be easier to do than the East Canyon Project. Taige Flint thinks that he can move the Davis and Weber water rights in East Canyon to Rockport. Andy Armstrong stated that it was a good meeting with Weber Basin. Weber Basin stated that they could take the water out of the Dam for better blending of the water for seasonal issues including the freezing problem at the pumps intake. Weber Basin is building the interconnect on Old Ranch Road between MRWSSD and Summit Water Distribution. Andy Armstrong stated that MRWSSD would receive a cash infusion from Summit Water Distribution and wholesale water sales from Park City. Well 1R could also bring in revenue by selling the water to Weber Basin to place in East Canyon Creek to supplement the creek. Andy Armstrong stated that the revenue will be \$150,000 per year for the well.

- B.** Journal of the American Water Resources Association Paper on the Weber River Discussion: Andy Armstrong reported that the Drought on the Weber River had duration of 10 – 16 years historically . He stated that Smith Moorehouse will always fill and be above the system to fill Rockport.
- C.** Report on the Water Right Transfer Approval: Andy Armstrong had the water rights consolidate. The first application for 245 acre feet of water was contested by the BOR but the State of Utah Engineer approved the change into 15C or Bison Bluffs future well site.
- D.** Other: Stantec will do the engineering for the Bison Bluff Well Pump Station for \$72,000. Bill Loughlin will be doing the well design. The Request for State of Qualifications was issued last summer and MRWSSD signed a contract to have Stantac do the design on pump stations. Motion made by Mike Kobe to approve \$72,000 for Stantec Engineering for the contract to do the Bison Bluff Pump Station Seconded by B. Todd Hopkinson. All voted yes, motion carried.

- 4. Adjourn:** Matt Lindon made a motion to adjourn at 8:00. Brett Mickelson seconded the motion. All voted yes, motion carried.

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the June 11, 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.