



**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT**

ADMINISTRATIVE CONTROL BOARD

MINUTES

FEBRUARY 12, 2015

ATTENDANCE:

BOARD MEMBERS:

BRETT MICKELSON
B. TODD HOPKINSON ABSENT
MATT LINDON
MIKE KOBE
MIKE TODD
CHRIS EGGLETON

STAFF:

ANDY ARMSTRONG
MARTI GEE
SCOTT GREEN
LAURA MEANS

GUESTS:

UTAH LOCAL GOVERNMENT TRUST REPRESENTATIVES
RYAN HATCH
GREG BAUMGARTNER

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session **February 12, 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 were subject to change by the Board.

1. 6:30 p.m. Call to Order & Public Input:

- 2. Consideration of Approve of Meeting Minutes for January 15, 2015:** Motion made by Chris Eggleton to approve the Meeting Minutes for January 15, 2015. Seconded by Brett Mickelson. All vote yes, motion carried.
- 3. Motion to move into Executive Session:** Motion made by Brett Mickelson to move into Executive Session. Seconded by Chris Eggleton. All voted yes, motion carried.
- 4. Motion to move into Open Session:** Chris Eggleton made a motion to move into Open Session. Seconded by Brett Mickelson. All voted yes, motion carried.
- 5. Financial:**
 - A. Consideration of Approval of Insurance Coverage for MRWSSD in 2015:** Scott Green explained the desire of the former Summit County Manager Robert Jasper to have Summit County become self-insurance in 2015. He wanted Mountain Regional Water Special Service District to partner with Summit County in the self- insurance pool. Mountain Regional Water Special Service District has been insured by Utah Local Government Trust for the last 14 years. Scott Green got bids to see what the estimates of insurance coverage would be in 2015 in addition to Utah Local Government Trust bid. Olympus Insurance made a presentation to the Administrative Control Board of Mountain Regional Water Special Service District in the January Board Meeting and gave MRWSSD a quote for Insurance. Upon reviewing the proposals from ULGT and Olympus Insurance, the no loss history and liability insurance were not comparable. The claim's history was a concern because the Trust had MRWSSD history of five or so claims each year and Olympus did not believe staff claim history reported and quoted on no actual information. The second question was the coverage, and would it be the same with Olympus? In most cases the Trust had better coverage than that of Olympus Insurance. Summit County decided to not pursue the self-insurance and sign a three year commitment to Utah Local Government Trust to insure Summit County. The Trust has also recalibrated rates and dividends that will be paid out in July to Mountain

Regional Water Special Service District. In 2010 and 2013 we received dividends also. Utah Local Government Trust also does include the water tanks in their coverage and loss prevention and helps the District with the safety program. Mike Kobe asked about the earthquake and flood and the failure to supply insurance. They do have earthquake and flood insurance up to 10,000,000. Motion made by Mike Todd to approve Utah Local Government Trust Insurance proposal for 10 million dollar limit for three years. Seconded Brett Mickelson. Questions about the 10 million limit for three 3 years. All voted yes. Motion carried.

- B.** Discussion about the 2014 Audit Letter: Scott Green discussed the need for someone from the Finance Committee to meet with the Auditor at the end of March. The Finance Committee Chair will keep the Board informed as the Audit for 2014 proceeds. EidiBailly will be conducting the annual audit for Mountain Regional Water Special Service District.
- C.** Consideration Approval of December 2014 Check Register: Laura Means discussed some of the transactions to the Board: refunding Promontory and Colony impact fees and the Summit County Engineer for the Summit Park Project were some of the large amounts processed December. The Rocky Mountain Power bill and the Weber Basin Water Conservancy District lease fees that were also large amounts in December. Motion made by Chris Eggleton to approve the check register for December 2014. Mike Kobe seconded the motion. All voted yes, motion carried.
- D.** Preliminary Fiscal Year 2014 Summary Financials: The Final report will come out in June 2015.
- E.** Considerations of P. O.'s: Next month there may be a diesel truck and a carbon filter for the water treatment plant from calgon that will be discussed.
- F.** Other: None.

6. General Manager Updates:

- A. Weber Basin Regionalization Update:** Weber Basin Water Conservancy District is bidding out the interconnect vault from Mountain Regional Water Special Service District to Summit Water Distribution Company that is to be installed on Old Ranch Road. The cost is estimated to be about \$200,000. We will be responsible for 1/3 of the cost of the vault. Mountain Regional Water will pay its portion for the vault out of the Bond proceeds. Summit Water Distribution may need to purchase water from Mountain Regional Water. They may request 300 acre feet of water this year. Lease rate of 1000.00 per acre feet is the cost of the regional water. We will be able to make some additional revenue with the purchase of the take or pay leases of regional water. Summit Water wanted to take the water under the settlement agreement not the regionalization agreement, but a interconnect would need to be built by Summit Water to Mountain Regional alone it would not be the regional interconnect or the regional water it would be provided under the Settlement Agreement with Summit Water at a cost of approximately 780.00 per acre foot. Andy Armstrong explained that the short term lease with the settlement agreement cannot be used for concurrency water for new projects since it is temporary water and cannot be used for Concurrency. Weber Basin would not participate in a vault if it was not for regionalization. Scott Morrison verified that we could provide water at that location on Old Ranch Road where the regionalization interconnection is proposed.
- B. MRWSSD 8.5 Million dollar bond update:** See: The MRWSSD 2015 – 2016 Water Resources Efficiency Projects worksheet. The well 15C project will begin this fall after the summer season. We will not have to go as deep with that well since the water appears to be coming from the upper levels in the well. Conservative budgets have been proposed and several of the projects will be done with in house employees. This will help us in our capital reserves. Any money left over will be used to make a bond payments.

C. Other: Energy subject Rocky Mountain Power Projects is assisting Mountain Regional on the new energy program. Mountain Regional is now taking our energy projects down to 7 cents a kW hour. North Salt Lake whom is also participating in the energy conservation project pays about 20 cents a kW hour. Park city pays about 11 cents a kW hour. Mountain Regional is getting a lot of relief on the efforts to save costs and energy. Power bills now from 6 years ago are about \$300,000 less and we move twice the amount of water. This is due to off peak power. Doug Evans has been instrumental with the energy programs in the State and State Governor's Energy Conference and Group. The Power Sub-station allows us to buy power at wholesale rates. Lost Canyon Pump Facility gets water from Weber Basin that has a screen at the intake at Rockport Reservoir. It has had freezing problems this winter and has not been able to operate properly. The damage by going through the bypass has been \$40,000 – \$50,000 to our pumps. Weber Basin has been responsive to Mountain Regional Water the problems with the screens could be operational year round with additional filters at their pump station with modifications. The intake screens need to be weather proof and our pump suppliers may have some canned screens to trap the debris before it goes into the pumps and cause damage. This problem is under investigation and will be reported to the Board at future meetings.

7. Public Services:

A. Water Usage Information:

B. Other: The March meeting needs to be rescheduled Marti will send out some information on the dates and the Board can respond by email on the date that will work out the best.

8. Other:

9. Adjourn: Brett Mickelson made a motion to adjourn the February Board Meeting. Seconded by Mike Kobe. All voted yes, motion carried.

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