



**MOUNTAIN  
REGIONAL  
WATER**

**APPROVED MINUTES**

**Administrative Control Board Meeting  
August 18, 2022**

**Attendance:**

**Board:**

Karin Wilson  
Ian Schofield

Mike Kobe - remote  
Joel Fine  
Tim Dougherty

**Staff:**

Andy Garland  
Lisa Hoffman

Steve Anderson  
Chris Braun  
Sam Grenlie  
Anna Peacock - absent  
Brian Davenport

**Summit County Attorney:**

Dave Thomas

**Guest:**

none

Notice is hereby given that the Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah will meet in Regular Meeting session on August 18, 2022 at the Mountain Regional Water SSD District Office, 6421 N Business Park Loop Rd, Park City, UT 84098, at 6:00 p.m. For those who are interested in attending the meeting remotely, a Zoom link has been provided below.

Join Zoom Meeting:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81230747750?pwd=YWh1M1BiR2o1UjlmTk5ybmVxWXNxZz09>

Webinar ID: **812 3074 7750**

To Dial in for Audio: **669-900-6833**

1. **Call to Order and Public Input:** Karin Wilson called the meeting to order at 6:04 pm. There was no public input.
2. **Executive Session – Personnel, Possible Litigation, and Property Acquisition** none

**3. Consent Agenda:** (10 minutes) Tim Dougherty moved to approve – Ian Schofield seconded. All in favor and unanimously approved.

- a. Approval of the July 21, 2022 ACB Meeting Minutes: no changes
- b. Approval of the July 2022 Check Register: Tim Dougherty asked why we sent two checks to Jacobs. Steve Anderson responded this was a catch-up for two invoices as their billing was a month behind. Tim asked about the Penna Powers check and what the expenses were for. Steve responded it was for our mailer that went out and a new landing page. Tim asked about the drug testing check to vendor WFQA, Steve responded it was for one pre-employment drug screen and three random drug screens. Tim asked about the Trakstar payment. Steve responded that this was for the software the District uses for employee reviews. Tim asked about Siddoway check. Steve responded this was for a small cost related to a more major repair coming up that is needed to replace a tank and well pump as discussed by Steve and Brian. No further questions.
- c. Surplus of equipment - Steve mentioned a slight modification to the original memo presented in the packet, to offer equipment to employees first, third-party second and then to auction as a last option.
- d. Consideration of Approval of Purchase Order
  - i. none
- e. Other: none

**4. Financial Management: Steve Anderson** (15 minutes)

- a. Update on July 2022 results - Steve went over the financial results and highlights from July. Revenue was higher in July due to 12.2% of customers hitting drought tiers. Of 4,600 customers, just over 500 hit these tiers. Expenses are still running below budget.
- b. June 2022 Cash Report - Steve went over the semi-annual cash report sent to the Utah State Auditor. Karin Wilson asked about the operating cash and reserves and the differences between what is shown on this report and the monthly reports. Steve explained what is kept in the Zions operating account and the remaining funds kept in the PTIF, of which some are unrestricted cash reserves and then restricted cash for specific uses like debt or repairs and maintenance.
- c. Other: none

**5. Work session to discuss assumptions and direction for the District's 2022 Rate Study:**

**Steve Anderson** (30 minutes) Steve reviewed increases the District has seen due to inflation over the past year. Debt service has remained the same. Two new positions are being planned for 2023. Total budget for payroll and benefits are \$3.6 million.

Steve discussed this rate study including an increase to the higher usage tiers instead of just doing an across-the-board percentage increase to the base and usage tiers which has been done in the past.

Ian Schofield asked Dave Thomas if there is any precedent set for challenging higher rates for higher tiers. Dave Thomas said no, the state actually requires a tiered rate structure.

Tim Dougherty pointed out there would be a surcharge placed on higher tiers and could be too punitive. Tim suggested using a flat percentage to increase rates. Tim said the District already has a mechanism in place for conservation at the high tiers during drought years when the Drought Response Plan is triggered. Tim suggested using this mechanism in drought years rather than disproportionately burdening the higher tier users every year.

Steve responded by explaining an overall expense increase of 8-10% and indicated this was not trying to collect more revenue, just trying to cover costs. Tim responded that the burden is going to higher water users, under the assumption that they can afford it. Steve responded higher users are putting more strain on the system, therefore requiring source development by the District as well as higher treatment plant costs to treat water and higher costs to maintain system. Tim asked if our higher water users have a higher rate of paying on time, Steve said they pay on time as other customers. Karin said the higher water users are putting pressure on our peak day demand. Tim wanted to make sure we were running a business and not running a social program. Tim is concerned there would be a risk of getting challenged by customers if the increase is too high for higher tiered users.

Steve showed examples by Customer Type of what the rate increase would be to each.

Mike Kobe said the higher users push us to an importation project that would impact all customers. Mike felt it made sense to increase the higher users more to promote conservation. Steve responded that drought rates this year have changed behavior and that the proposed rates are not as extreme as drought rates.

Ian said we are not out of the woods yet with drought and with soil moisture issues, the state could possibly be in drought again next year.

Ian asked if a motion is needed tonight. Steve responded no this is for discussion purposes only. Ian suggested a straw poll. Karin then asked each board member for their opinion on the rate methodology.

Joel would like to further study and to know what other water agencies are charging (i.e... Summit Water, Gorgoza, Park City). Joel is also concerned about the inflation rate, and the need for a rate increase in order to be able to cover costs.

Tim agrees costs are going up, however he would like to see a static increase across all tiers instead of a higher increase on higher tiered users.

Mike and Ian agree with staff recommendations to help encourage conservation by further increases to the top usage tiers.

Karin concerned full time residents with low usage getting same rate as higher users will generate negative feedback from the community.

Steve will prepare two scenarios for the next meeting to have further discussion.

## 6. General Manager Comments: Andy Garland (15 minutes)

- a. Weber Basin Regionalization meeting update - Andy Garland gave an update on the quarterly regionalization meeting with Weber Basin. Deficiencies found by Bowen & Collins in Lost Canyon system were discussed. Several solutions were proposed and Bowen & Collins will do more work and come back to discuss at next Regionalization meeting in December. Potential upgrade to US40 system with another interconnect on Highway 224 was discussed.

Joel concerned about new development or redevelopment issues in MRW service areas. Andy replied looking at this as well as UOP development for snow making water.

- b. Gilmore Parcel Lot 5 update - The District closed on the parcel and District administrative staff walked the parcel earlier in the day.
- c. Discussion of members for the Building RFP Selection Committee - Andy discussed establishing a formal building committee to evaluate the RFP and help District staff through the planning and construction process.
- d. Summit Park/System Improvements - Andy described what repairs have been done in Summit Park and what is remaining. Tim asked which section was up next. Brian responded that the next section to be done in 2023 is Lower Evergreen which will be done in conjunction with Snyderville Basin Water Reclamation District. Ian asked what the cost is to continue to repair pipes versus doing a complete re-install. Andy replied the District was beginning to review this analysis with the leak dashboard recently created.

Mike Kobe asked about a specific assessment to Summit Park customers for these repairs. There was some discussion that this could be done by designating

Summit Park as a special assessment area, however this would have to be approved by the residents of the area. Lisa Hoffman responded that 5% of annual operating budgets fund a repair and replace fund and each area in the District will have their time for repairs, trying to assess each individually would become burdensome.

- e. Other: Andy Garland discussed four solar array RFPs received which were opened and District staff will bring the selected vendor to the board at next month's meeting.

**7. Consideration of a Recommendation to the Governing Board to approve the District's updated Procurement Policies: Lisa Hoffman (15 minutes)** Lisa Hoffman went over the changes to Procurement Policy made by Jay Springer at Smith Hartvigsen and Dave Thomas, in order for the District's policies to comply with the Utah State Procurement code.

Tim asked if the Chief Procurement Officer could designate duties to any "person" as defined in the code. Section 3.1.3 is implied this would be a staff member, however the board suggested a change be made to distinguish only a District staff member could be delegated Chief Procurement Officer duties.

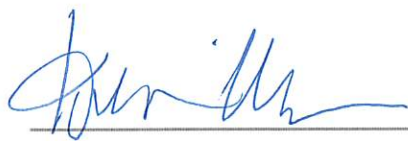
Karin asked about the section of the policy dealing with using out of state vendors. Dave Thomas explained that in order to use a vendor from another state the vendor must go through a similar procurement process to Utah. Ian Schofield motioned to recommend approval with changes discussed, Tim Dougherty seconded the motion. All in favor and unanimously approved.

**8. Questions on Department Updates: (10 minutes)** Ian Schofield asked when the last time Wagon Trail well was used. Brian responded the District does use the well, however currently it is down for repair for electrical and SCADA upgrades. Sam mentioned the District is currently testing groundwater sources for PFAS and no detectable levels have been found so far. Tim asked about the fence around Old Ranch pump station and if it had been installed. Chris and Andy replied yes, it was in and there was some resistance and signage has been placed on the fence.

**9. Adjourn: Motion to adjourn was made by Ian Schofield and seconded by Tim Dougherty. Vote was unanimous and the meeting was adjourned at 7:38 p.m.**

Pursuant to the Americans with Disabilities Act, individuals needing assistance attending the meeting on August 18, 2022 should contact Lisa Hoffman at 435-940-1916 Ext. 312 to make

arrangements. The next MRW Administrative Control Board Meeting will be held on September 15, 2022.



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[Karin Wilson](#), Chair



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[Andy Garland](#), Clerk