



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD RETREAT

MINUTES

JULY 20, 2018

ATTENDANCE:

BOARD MEMBERS:

Mike Kobe
Bob Neumeister
Karin Wilson
Tim Dougherty
Ian Schofield

STAFF:

Melissa O'Brien
Marti Gee
Lisa Hoffman
Scott Morrison
Doug Evans
Chris Braun
Brian Davenport
Steve Anderson

GUESTS:

Dave Thomas, Civil Deputy Summit County Attorney
Clint McAfee, Public Utilities Director Park City Municipal Corporation
Andy Garland, General Manager Summit Water Distribution

The Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Special Meeting session on **JULY 20, 2018** at the Blair Education Center located at the Park City Hospital, 900 Round Valley Dr., Park City Utah, 84060 from 9:00 am - 4:30 pm.

Consent Agenda:

Minutes from June 12, 2018 and June 28, 2018 meetings

Check Register

Emergency Vehicle List

Mike Kobe called the meeting to order at 9:03 am. The emergency vehicle list was discussed. Bob Neumeister made a motion to approve the emergency vehicle list. Seconded by Karin Wilson. All voted yes, motion carried. Motion made by Bob Neumeister to approve the Consent Agenda. Ian Schofield seconded the motion. All voted yes, motion carried.

Scott Morrison opened the meeting and thanked the board for all of their support and dedication to the staff

and customers of Mountain Regional Water.

Discussion of planning process and documents- interplay between Strategic Action Plan, Capital Facilities Plan and Impact Fee Plan: Dave Thomas:

Dave Thomas discussed the Strategic Plans, Capital Facilities Plans and Impact Fees handout in Board materials for retreat. Main topics included:

Strategic Plan is not a statutory requirement, but a Management Tool. It should have the following elements:

- Vision Statement
- Mission Statement
- Core Values
- SWOT Analysis (strengths, weaknesses, opportunities and threats)
- Long Term Goals
- Yearly Objectives
- Action Plans

Capital Facilities Plan is required by statute and called the Impact Fee Facilities Plan. It dovetails with a Strategic Plan and based on long range goals and annual objectives of the district. Requirements of the Capital Facilities Plan are:

- Notice of intent to amend its Impact Fee Facilities Plan on the Public Notice Website
- Public Hearing on proposed Impact Fee Facilities Plan and give Notice of at least 14 days with an Executive Summary in public library
- Should be updated every 3-5- years
- Elements to include in the Impact Fee Facilities Plan:

Impact Fee Analysis is a required statutorily by the Utah Code. Prior to contracting with a consultant to prepare an analysis MRW must provide Notice of its intent to prepare a written analysis on the Utah Public Notice Website. Elements of the Impact Fee Analysis:

- Impact Fee calculation is provided for statute. It includes:
- Construction Costs
- Land Costs
- Planning, Surveying, Engineering Costs
- Debt Service

Certification of Impact Fee Analysis is done by an outside consultant.

The MRW Administrative Control Board will need to hold a Public Hearing on the proposed Impact Fee Enactment Resolution and give Notice 14 days before the Public Hearing by posting in 3 public places in the service area, publish in the Park Record and Utah Public Notice Website and in the public library and on MRW website. Then the MRW Board will adopt the Impact Fee Enactment Resolution.

Background on regionalization, discussion of Exhibit D - Scott Morrison/Doug Evans:

Scott Morrison and Doug Evans discussed the history and key parts of the Western Summit County Project Master Agreement. The parties are Weber Basin, Park City Municipal, MRW, Summit Water Distribution, Snyderville Basin Water Reclamation District and Summit County. (see pages 5-10 of MRW Retreat materials)

Meet with Park City Municipal Corporation: Clint McAfee

Clint McAfee Public Utilities Director PCM discussed the new Water Treatment Plant they have planned to build. The costs projected of the new WTP are 60 Million Dollars. It will treat all of the water out of their tunnels. The Park City Council decided to make surplus water available in 2023 at a retail cost of 8.60 per

1000 gallons or \$2900 per acre foot. Park City has seven sources of water and five of them produce over 1000 gallons per minute. With the projections that Summit Water need and the growth projected for the Snyderville Basin the sources should allow for at least 10 years before a new project will be needed for water with the cooperation of all parties. Future projects need to be evaluated, some possibilities are the Quinns Water Treatment Plant expansion. Being able to add capacity to the Quinns Park City Plant could produce an addition two million gallons per day. MRW could help with the pre treatment for Park City at the Quinns Plant.

Meet with Summit Water & TCFC; discussion of upcoming demand: Andy Garland

Andy Garland from SWDC talked about his future growth in the Lower Canyons Spa Area. He has planned on serving that area and TCFC has prepaid impact fees from Summit Water. One of Andy's concerns is that MRW infrastructure is intermingled and it is difficult to tell when our water infrastructure begins and ends. Andy stated that they are not interested in expanding Summit Water Distribution area of service, but just want the water to serve the customers that have the prepaid connections. Summit Water has the water to currently serve the Lower Canyons area for those that want to build, but has storage issues and needs to build a storage facility. The Developers and Vail are apparently having disputes about the storage locations. That is a concern for Summit Water trying to serve the current prepaid connections. TCFC did not send any representative to the Retreat.

Lunch

Overview of Strategic Plan draft, Regionalization Strategies, and Capital Facilities planning - Scott Morrison/Doug Evans

Scott and Doug discussed regionalization and how goals are important to develop and the need to identify them. Tim Dougherty asked about the safety net that MRW wanted keep. He asked what are the standards for a safety net. Bob Neumeister asked about when do we need to reserve any Park City Municipal water? Ian Schofield suggested that other studies have been done on the climate change issues and asked if we are taking that into consideration? Ian also suggested that MRW may want to look into the changes in stream flows and groundwater system. Melissa suggested that a meeting be scheduled with Summit County Council to help update them about the water challenges MRW is facing now and in the future. A work session was discussed with the Summit County Council on the Capital Facilities Plan and future challenges.

Update on Rate Study - Lisa Hoffman:

Lisa Hoffman described the timeline. Dave Thomas stated that we need to have a special meeting in August to adopt the Community Water rates for infrastructure. Lisa also discussed the Existing scheduled Debt Service Payments from 2017 - 2012. Major Cost Increasing

- Debt Payments 40 % of total expenditures
- Annual Weber Basin Lease Fees 15% of total expenditure and increase 3-4% each year
- Regionalization Fees and Reservation Costs
 - 200K starting 2020
 - 50K starting in 2020

Rate Model Assumptions for the study are:

- Average usage from 2015 (wet)
- 2017 (dry)
- 2% growth for customers
- 5.4 % growth rate for expenses
- Initial year rate increase (2019) of 4-5%

- Subsequent Years 1.5-2%
- Avg Monthly Rate Increase (2019)
 - Residential Customers \$4.00 - \$5.00 / month
 - Large Residential Customer \$6.50 - \$8.50 / month

During the discussion of the rate study Ian brought up that using two data points (years) for estimating the usage was probably not enough. Lisa stated that additional years can be added to come up with the usage estimates for the rate study. This will reflect a more diverse number for the rates on the weather.

Next Steps - Melissa O'Brien

Staff and Board Items to work on:

- Finish Rate Study
- Work on Strategic Plan and Initiate Capital Facilities Plan And Impact Fees
- MOU with Park City for water coming from PC for Regionalization Water starting in 2023
- Continue to focus on District culture throughout transition and future
- Work on dealing with demand issues in the Canyons
- Work with Council with water issues
- What surplus capacity is typical for other water systems
- Set up a work session with the Summit County Council
- Meet with staff members on a regular basis
- The Board encouraged the staff to utilize the county services

Executive Session for Personnel:

Motion made by Karin Wilson to move into Executive Session. Second by Tim Dougherty. All voted yes, motion carried. Motion to come out of Executive session made by Tim Dougherty. Seconded by Karin Wilson. All voted yes, motion carried.

Adjourned at 4:18 p.m.

Individuals with questions, comments, or needing special accommodations pursuant to the Americans with Disabilities Act regarding this meeting may contact Marti Gee at (435) 940-1916 ext 302.