



**MOUNTAIN REGIONAL WATER**  
SPECIAL SERVICE DISTRICT

**Administrative Control Board**

**Approved Minutes**

**June 11, 2020**

**Attendance:** All Attendees participated via Zoom Meeting electronically

**Board Members:**

Mike Kobe  
Bob Neumeister  
Karin Wilson  
Tim Dougherty  
Ian Schofield (Excused)

**Staff:**

Scott Morrison  
Lisa Hoffman  
Chris Braun  
Steve Anderson  
Brian Davenport  
Marti Gee

**Summit County Attorney:**

Blaine Thomas

**Guests:**

Fred Philpot

Notice was given that the Administrative Control Board of Mountain Regional Water SSD, Summit County, Utah met in Regular Meeting session on June 11, 2020 via Zoom with anchor location at the Mountain Regional Water District Office at 6421 N. Business Loop Rd., Suite A, Park City Utah, 84098 at 6:00 p.m. All participants and public wishing to attend do so via Zoom using the following information:

Join Zoom Meeting:

<https://us02web.zoom.us/j/81925681669?pwd=aGJpdUV1V1Z2N1dQUC9HY3M3Mi83UT09>

Meeting ID: 819 2568 1669

Password: 071864

Dial In: 669-900-6833

- 1. Call to Order and Public Input:** Mike Kobe called the meeting to order at 6:08 p.m.

2. **Regional Water Supply Rate Study Presentation and Work Session: Fred Philpot** (60 minutes) Please see attached Study
3. **Executive Session – Personnel, Possible Litigation, and Property Acquisition:** (5 minutes) There was a motion to move into Executive Session made by Bob Neumeister. Seconded by Tim Dougherty. All voted yes motion carried.

Motion made to move out of Executive Session made by Bob Neumeister. Seconded by Karin Wilson. All voted yes, motion carried.

4. **Financial Management: Lisa Hoffman & Steve Anderson** (15 minutes)
  - a. Presentation of the May 2020 Highlights:

Through May 2020, change in net position (net income) is \$62,154 – which is \$571,054 better than projected. This positive variance resulted from higher revenue that exceeds projections by \$328,532 (9.1%), primarily due to higher Retail Water Sales of \$276,137, Promontory Raw Water (Golf Courses) of \$54,099 and Development Related Collections of \$50,754. The higher revenue in these three areas are offset by water sales to Park City being \$56,080 under budget.

Lastly, expenses are \$242,522 (5.9%) lower than budgeted. Primarily related to lower power and repair and maintenance expenses at Lost Canyon.

Total cash increased \$685,741 (4.4%) to \$16.2 million during May 2020. The current Operating Cash & Reserves balance of \$5.45 million represents 269 days reserves compared to 324 a year ago. The increase of \$294,318 (5.7%) is due to solid customer collections during May along with the large expenditure for treatment plant membranes coming from reserves instead of operating cash. Debt Reserves Held by Trustee increased \$295,008 (15.6%) from transfers to make scheduled interest and principal payments during 2020. Total cash has increased \$1,039,693 (6.8%) from May 2019, however \$430,480 of this increase is due to construction cash to be spent on Community Water projects.

In May 2020 there were nine new water connections and \$64,029 in impact fees. The 42 new connections year-to-date is 8.7% lower than the four year average of 46. Total impact fee collections are down 57.3% as compared to the four year average due to prepaid connections used at Silver Creek Village and Lincoln Station and the lower impact fee rate.

Nine Promontory lot assessments have been collected through May, down four from the four-year average of 13.

Year-to-date water consumption by District customers of 493 acre feet was higher than the average over the past four years of 338 acre feet. The 156 acre feet increase is a 46.0% increase over the four year average. The incredibly hot and dry spring has caused a significant increase to usage in almost every category of customer. Commercial and Government customers are still down from last year, but Irrigation, Golf Irrigation, Residential and Large Residential are up significantly. For example, through May, Large Residential is up 55.62% and Residential 26.40% versus last year. Year-to-date Park City usage is down 45.6% from the four-year average. Summit Water has taken 536 acre feet year-to-date, which is 106.6% higher than the four-year-average of 259 acre feet. This is the first of the two years in which Summit Water will take 1,100 acre feet.

**Community Water Infrastructure:** \$1.23 million has been expended to date of the anticipated loan of \$2.6 million. The \$600,986 encumbered to date is made up of mostly the \$599,386 of infrastructure improvements by JRock Construction to be done during June and July.

**Annual Capital Budget:** System Improvements – the Glenwild line is complete and has been capitalized. The Nugget Well and Cove Pipeline repairs will be completed this summer, along with the Glenwild pump upgrades. \$70,000 in savings of some general system improvements and \$60,000 in savings at the Glenwild pump station have been allocated to the Nugget Well and Cove pipeline repairs where anticipated costs are now higher than the original estimates.

The **Summit Park project:** began with anticipated completion in August. \$35,000 of the \$250,000 savings for this project have been allocated to the Willow Creek Interconnect, which is coming in slightly higher than originally budgeted.

The **Weber Basin Interconnect project:** is underway with substantial completion in 2020.

**Capital equipment and vehicle:** The new truck has been received but we are still awaiting delivery on the new office vehicle which has been postponed until September. The majority of the Operations & Maintenance budget is for a new

generator at the treatment plant to be completed and installed by the end of 2020.

**Cash Collections:** Cash collections during May brought the outstanding amount of Accounts Receivable (A/R) down. At the end of April outstanding was at \$176,881, by the end of May this amount had dropped to \$138,519.

Retail Water for May 2020 was significantly higher than the month of May for the last three years.

Residential water sales and Golf Irrigation significantly exceed budget and made up the majority of the revenue variance in May.

Karin Wilson asked a question about the days of cash. Lisa Hoffman responded

b. Other: None.

**5. General Manager Comments: Scott Morrison (15 minutes)**

a. Update Regarding Summit County's Move to 100% Renewable Electrical Energy for Government Operations

Background on the 100% Renewable Electrical Energy for Government Operations:

Over the past couple years, Summit County, and more specifically, the Summit County Sustainability Department, has been working on a program to move all government operations, including Districts, to 100% net renewable electrical energy. Mountain Regional has been involved in these discussions and has been supportive of this move.

The latest update regarding Summit County's Power Purchase Contract negotiations show a higher cost per megawatt hour (MWh) than was originally presented to the District last year. Originally, the cost presented was \$0.58/MWh with an expected increase to the District's energy costs of ~1.5% or ~\$10,000 per year with a term of 15 years. The most recent numbers are at \$1.74/MWh leading to an expected increase in costs of ~2.5% (there are other fee components that are not expected to change leading to a lower percentage increase than expected when comparing \$/MWh) or ~\$20,000 with a term of 20 years.

Sustainability is a core value of our District and over the years the District has worked to reduce our energy footprint and related costs. A comparison that has been used by District staff in the past to evaluate the County's proposal is to compare their proposal against purchasing our own Blue Sky energy credits to offset our nearly 11,000 MWh of annual energy use. This approach would cost \$40,000 annually.

In conclusion, the Summit County Sustainability Department and the County Council supports moving forward with the current proposal. Mountain Regional will be included in the program and further updates will be provided to the Board when they are available.

Comments from the Board were that MRW is rate based revenue and not tax based revenue. This will put a larger burden on the MRW customers and should be borne by all of Summit County residents equally. All of the other special districts revenue is based on tax revenue and not from user fees. That is a concern of the Board. The benefits were also discussed for Summit County by the Board and how MRW would be affected. MRW also has our own energy efficient projects planned, the Board questioned how the County's plans affect the District's plans. The Board inquired if the power is verifiably clean? MRW staff did not know but had confidence that it was. The Board discussed a position that a trace to a direct benefit to the MRW ratepayers is not there. Apparently in the Resolution the entire community will be asked to participate in renewable energy. No decision can be made by the Board, Scott Morrison just wanted to pass on the information to the Board. The question of an open meeting on this issue was discussed, but the Council has already had an open meeting to move forward. Scott will inform the Board on future meetings.

- b. COVID-19 Update: It is expected that the Governor will keep the State at a Yellow Health Advisory Level for the time being. He is expected to move to green as soon as possible. MRW has installed Plexiglass at the front desk and is staffing the office with a Public Service representative between 8:30 a.m. - 5:00 p.m. Monday through Thursday, and available remotely on Fridays. There are new protocols for office work. PPE must be worn with in proximity to other employees. The Meter Replacement Program has started again with the PPE and Social Distancing from customers in their homes for the replacement of inside water meters to Badger. These are the only ones left in the system to be replaced.

c. Other: None.

**6. Consent Agenda: (10 minutes)**

- a. Approval of the May 14, 2020 ACB Meeting Minutes:
- b. Approval of the May 2020 Check Register:
- c. Consideration of Approval of P.O.:
- d. Other: Karin Wilson asked about the Fire Hydrant Meters. Staff explained that those meters were for the accounts that have Fire Hydrant Meters that use water off the system in various locations and they would send a signal for water usage like the Badger meters off of cell towers. This would eliminate the customers calling in the reads for the Fire Hydrant Meters monthly. Bob Neumeister also asked about the Badger meter readings if they read just once per day or could you get continuous reads? Marti Gee explained that they are once per day but the time they report may vary. The meters if they are having issues reporting they may store data for a few days then report the past and current data. There was no P. O. this month. Karin Wilson made a motion to approve the Consent Agenda. Bob Neumeister seconded that motion. The Board all voted yes, motion carried.

**7. Questions on Department Updates: (10 minutes)**

Tim Dougherty asked about the pigging for the water line from Peoa to the WTP. Scott Morrision replied that it has not been done in the past but it will be done annually. Bob Neumeister asked about Backflow. Marti Gee responded that Stacy has sent out several letters and the requirements have been delayed due to COVID-19 issues. Mike Kobe also commented that he really liked Sam Grenlie's report. He really likes the detail that Sam places in his reports.

**8. Legal: Dave Thomas (5 minutes)** Dave Thomas was absent Blaine Thomas represented the Summit County update.

- a. Consideration for Recommendation of Approval of the Certified Tax Lien for Delinquent Fees and Charges for the Mountain Regional Water Special Service District to the District's Governing Board

Marti Gee presented the Lien list. Marti presented a breakdown of the fees. The water fees were \$48,000 for water usage and \$30,000 for stand by fees. Karin Wilson asked about the large development companies that are not paying. Marti agreed that she was surprised also and hopes they pay before the deadline. Any customers that pay before the deadline will be adjusted on the exhibit for Summit County Council for approval by the Governing Board of MRW.

b. Other: None.

**9. Adjourn:** Mike Kobe adjourned the meeting at 8:01 p.m.

Pursuant to the American with Disabilities Act, Individuals needing assistance attending the meeting June 11, 2020 should contact Marti Gee at 435-640-5725 to make arrangements. The next MRW Administrative Control Board Meeting will be held on July 9, 2020.