



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

STAFF REPORT

To: Summit County Council

From: Andy Armstrong, General Manager

Date: March 22, 2018

Subject: Community Water Company Annexation

Proposed Terms of Annexation

Under the proposed terms of the annexation, Community Water’s customer base would annex into Mountain Regional, and its customers would fall under Mountain Regional Waters Rules & Regulations and existing rate structure. Mountain Regional would provide the same level of water service to these customers as it provides to all its other customers.

See the map attached to this report for the areas included in the annexation.

The related Annexation and Asset Acquisition Agreement (“Agreement”) is still being worked out. The Mountain Regional Water Administrative Control Board (“ACB”) has been actively reviewing this Agreement and it will be up for discussion again at its April 5th meeting. Additional changes to the Agreement may be recommended before the ACB makes a positive recommendation to the Council. However, changes requested by the ACB are expected to be fairly minor and will not substantially change the Agreement. Accordingly, it may be a few more weeks before the Agreement is brought before the County Council for approval, but this should not delay the annexation process.

Capital Projects Required

To address the water system inadequacies to bring Community Water in compliance with Mountain Regional standards, Mountain Regional would obtain a \$2.6 million state loan. The table on the following page gives the detail of the capital projects and debt service.

Mountain Regional Water
Estimated Community Water Capital Project Costs & Debt Service
March 8, 2018

		January 11, 2018	*Noticed Amount* February 14, 2018	ACB Meeting March 8, 2018
		Initial Amount Presented to HOA Leadership	Amount Presented to County Council	Add 2 Houses Increase Contingency by 10%
Project Cost		\$ 1,550,000	\$ 1,590,000	\$ 1,630,000
Master Plan / Preliminary Engineering	\$ 346,000	300,000	346,000	346,000
Final Engineering	5.0%	77,500	79,500	81,500
Project Contingency	22.3%	116,250	186,950	381,665
Well Feasibility Study	15,000	-	15,000	15,000
Water Rights Transfer	15,000	-	15,000	15,000
Inspection	3.0%	46,500	63,689	70,730
Issuance Costs	1.0% + \$30,000	46,500	52,961	55,399
Total Bond		2,140,000	2,350,000	2,600,000
Interest Rate		3.0%	3.0%	3.0%
Years		20	20	20
Annual Payment		\$143,842	\$157,957	\$174,761
Units		509	509	511
Monthly Infrastructure Fee		\$ 23.55	\$ 25.86	\$ 28.50
On-site Projects				
Meter Replacement		475,000	475,000	475,000
Line Work		175,000	175,000	175,000
Connect 2 Houses (not in original annexation)		-	-	40,000
Interconnect (Tee Box)		100,000	100,000	100,000
Refurbish PRVs		50,000	90,000	90,000
Refurbish Wells (Electrical & SCADA)		100,000	100,000	100,000
Replace Well Pumps (Clean Wells)		100,000	100,000	100,000
Demolish Treatment Plant		50,000	50,000	50,000
SCADA Improvements		50,000	50,000	50,000
Total On-site Projects		1,100,000	1,140,000	1,180,000
Off-site Projects (In lieu of fixing CW Treatment Plant and Tank) ⁽¹⁾				
Well - Willow Draw or Silver Creek		320,000	320,000	320,000
Pump/VFD - Old Ranch Road		85,000	85,000	85,000
Standby Generator (50%)		45,000	45,000	45,000
Total Off-site Projects		450,000	450,000	450,000
Total Project Costs		\$ 1,550,000	\$ 1,590,000	\$ 1,630,000

(1) - It is much more cost effective for MRW to drill a replacement well and add a booster pump to its existing Old Ranch Road booster station than it is to replace the Community Water Treatment Plant and failed tank. Further, the well can be operated year-round, while the treatment plant is limited to early summer. MRW can store the water from the new well in its existing White Pine Canyon storage tank, that has more than sufficient surplus storage capacity to serve Community Water. Doing these off-site projects will also improve backup and redundancy for Community Water.

This is \$250,000 more than reported to the County Council on February 14th due to the identification of two additional houses to be included in the annexation and an increase to the project contingency, as requested by the ACB, of approximately \$195,000. These increases have resulted in corresponding increases in final engineering costs, inspection fees, and bond issuance costs.

Due to this increase the estimated monthly infrastructure assessment increased from \$25.86 to \$28.50, a \$2.64 per month increase.

Please note, the infrastructure fee is our best estimate at this point in time and is subject to change. It is possible the infrastructure fee could decrease if the District gets a lower interest rate on its state loan, something less than the 3.0% assumed for this analysis. Alternatively, it could increase if additional capital costs are determined to be needed before the annexation is final and the state loan is approved in July. However, we don't anticipate these changes to be more than \$2.00 to \$3.00 either way.

Projected Rates

If annexed into Mountain Regional, Community Water customers would be charged the same water rates as all other Mountain Regional customers for water service. In addition, Community Water customers would be charged a monthly infrastructure charge, estimated at \$28.50 per ERC, for twenty years. This revenue source would be used solely to make debt service payments on the state loan.

This is the same approach applied to Stagecoach Estates when it annexed into Mountain Regional in 2008. Stagecoach customers pay all the normal water charges and fees assessed on all other Mountain Regional customers, plus an additional monthly infrastructure charge.

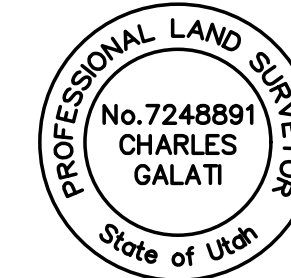
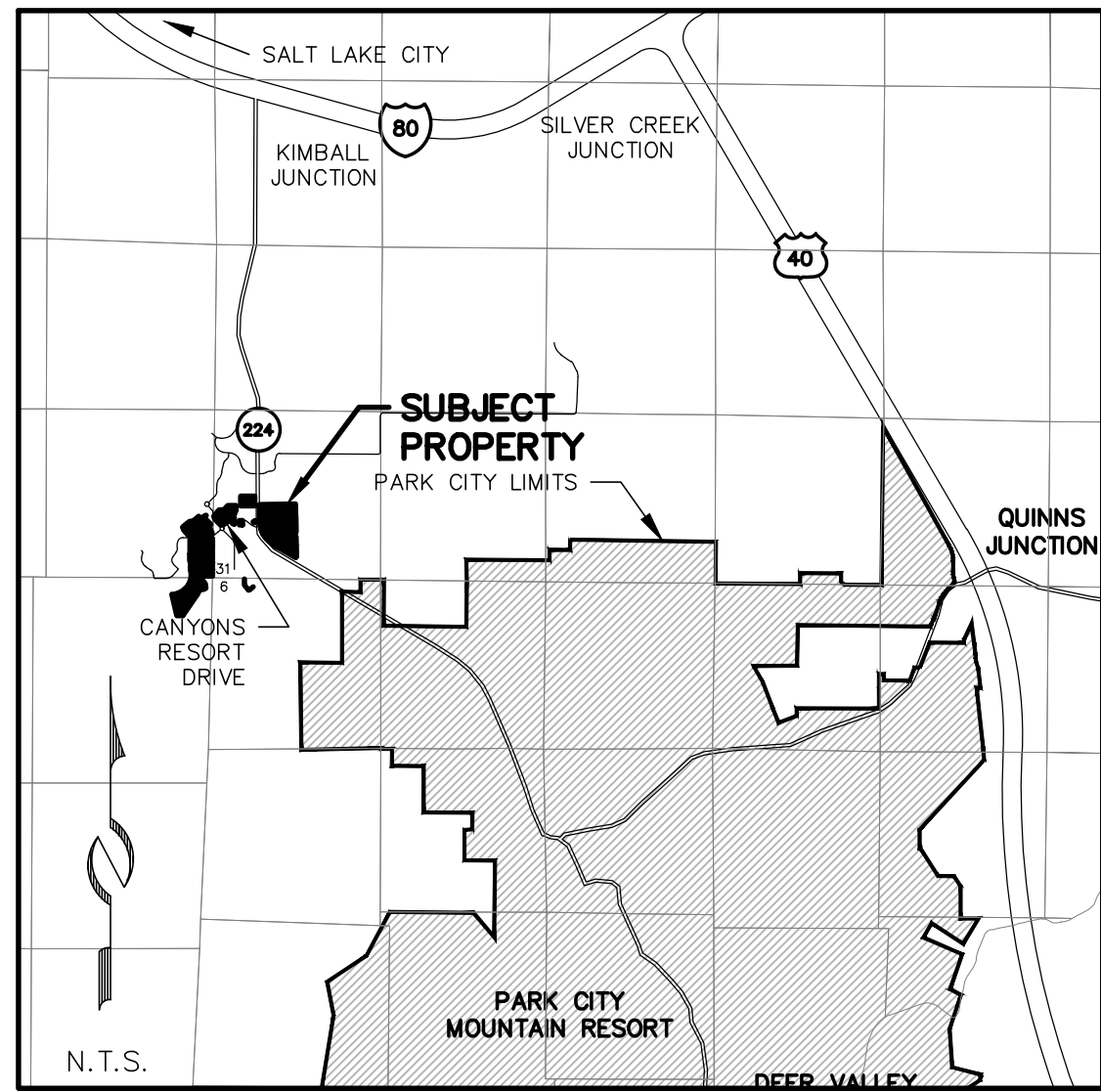
After accounting for the \$2.64 increase in the infrastructure fee discussed above, the total average residential customer monthly bill increases to \$110.98, as shown on the next page. The monthly water bill is based upon actual water usage by month for 2015 and 2016. However, usage assumptions were made by Mountain Regional Water for broken meters – which represents about 15% to 20% of all meters.

Mountain Regional Water Estimated Monthly Water Bills - Community Water Based Upon 2015 and 2016 Usage Provided by TCFC

	Monthly Water Bill	Monthly Infrastructure	Monthly Total
Residential			
Park West Village Homes	\$ 91.59	\$ 28.50	\$ 120.09
Park West Village Canyon View Condos	72.89	28.50	101.39
Park West Townhomes	127.30	28.50	155.80
Red Pine Townhomes (Includes Pool) <i>Only 3 of 5 irrigation and 1 of 2 indoor meters are working. For this analysis, the usage for these broken meters is estimated.</i>	80.27	28.50	108.77
Red Pine Condos (Includes Pool)	72.99	28.50	101.49
Hidden Creek Condos (Includes Open Space & Pool)	89.54	28.50	118.04
Scott McKay Home	67.65	28.50	96.15
Total Residential	82.48	28.50	110.98
Non-Residential			
7-11	133.54	28.50	162.04
Shepherd Church	394.19	67.37	461.56
Colby School	145.91	28.50	174.41
Canyons Resort	2,724.68	420.53	3,145.21
Total Non-Residential			
Total Community Water			
Monthly Infrastructure Assessment			
\$	28.50		

Keep in mind that some customers would pay more than this average while others would pay less, depending upon the amount of outdoor irrigation water used per unit. For example, Park West Townhome customers would pay an average \$155.80 per month due to the fact it irrigates 0.25 acres per each of its 30 units. On the other hand, Red Pine Condos irrigate .02 acres per its 200 units, resulting in an average \$101.49 water bill.

VICINITY MAP



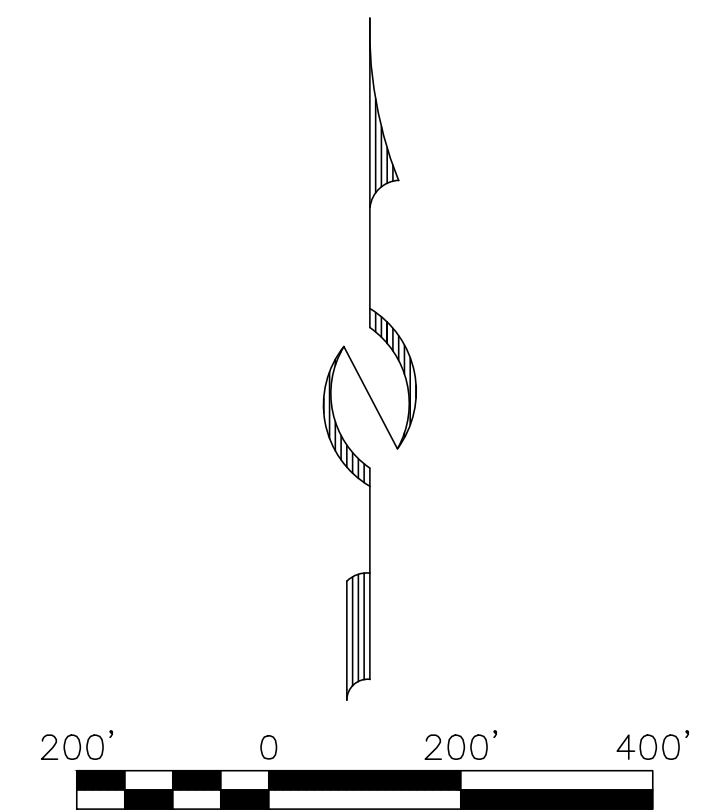
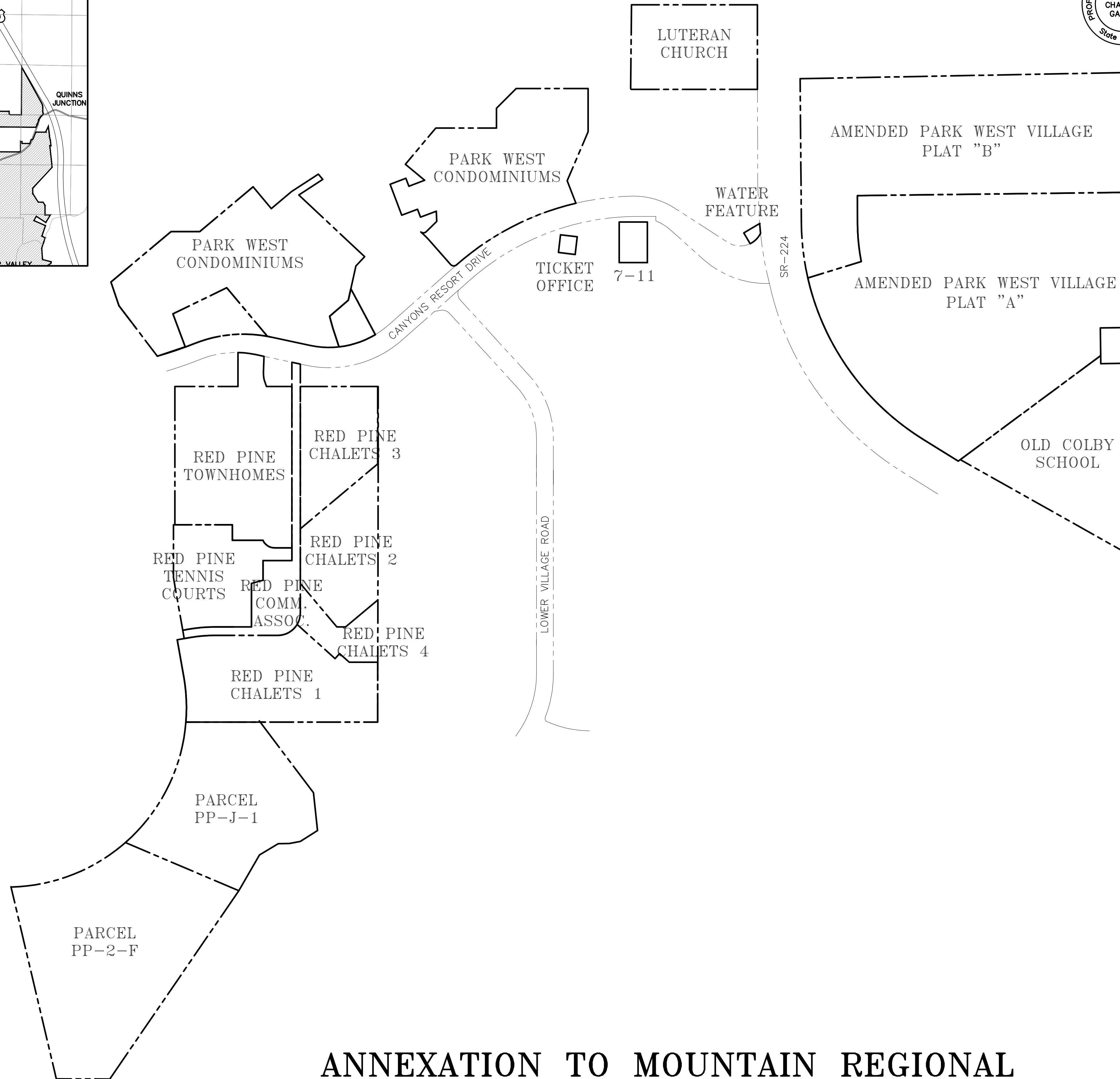
SURVEYOR'S CERTIFICATE

I, Charles Galati, do hereby certify that I am a Professional Land Surveyor, and that I hold License No. 7248891, as prescribed under the laws of the State of Utah. I further certify that by authority of the owner, I have made a survey of the tract of land into lots and streets, together with easements, hereafter to be known as ANNEXATION TO MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT and that the same has been correctly surveyed and monumented on the ground as shown on this plat.

NARRATIVE

The purpose of this survey was to describe the parcels to be annexed into the MOUNTAIN REGION WATER SPECIAL SERVICE DISTRICT, the basis of bearing for the survey is between the southwest corner of section 31 and the west 1/4 corner of section 31.

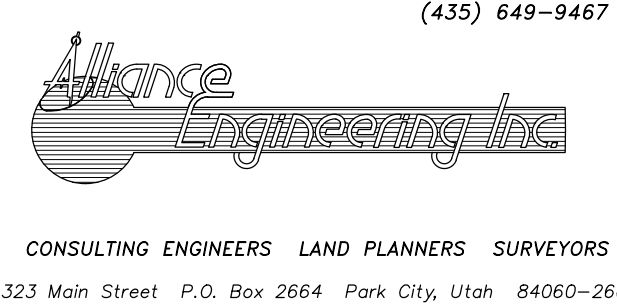
PRELIMINARY



ANNEXATION TO MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 31,
THE SOUTHEAST QUARTER OF SECTION 36 & THE NORTHEAST QUARTER OF SECTION 1
TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
SUMMIT COUNTY, UTAH

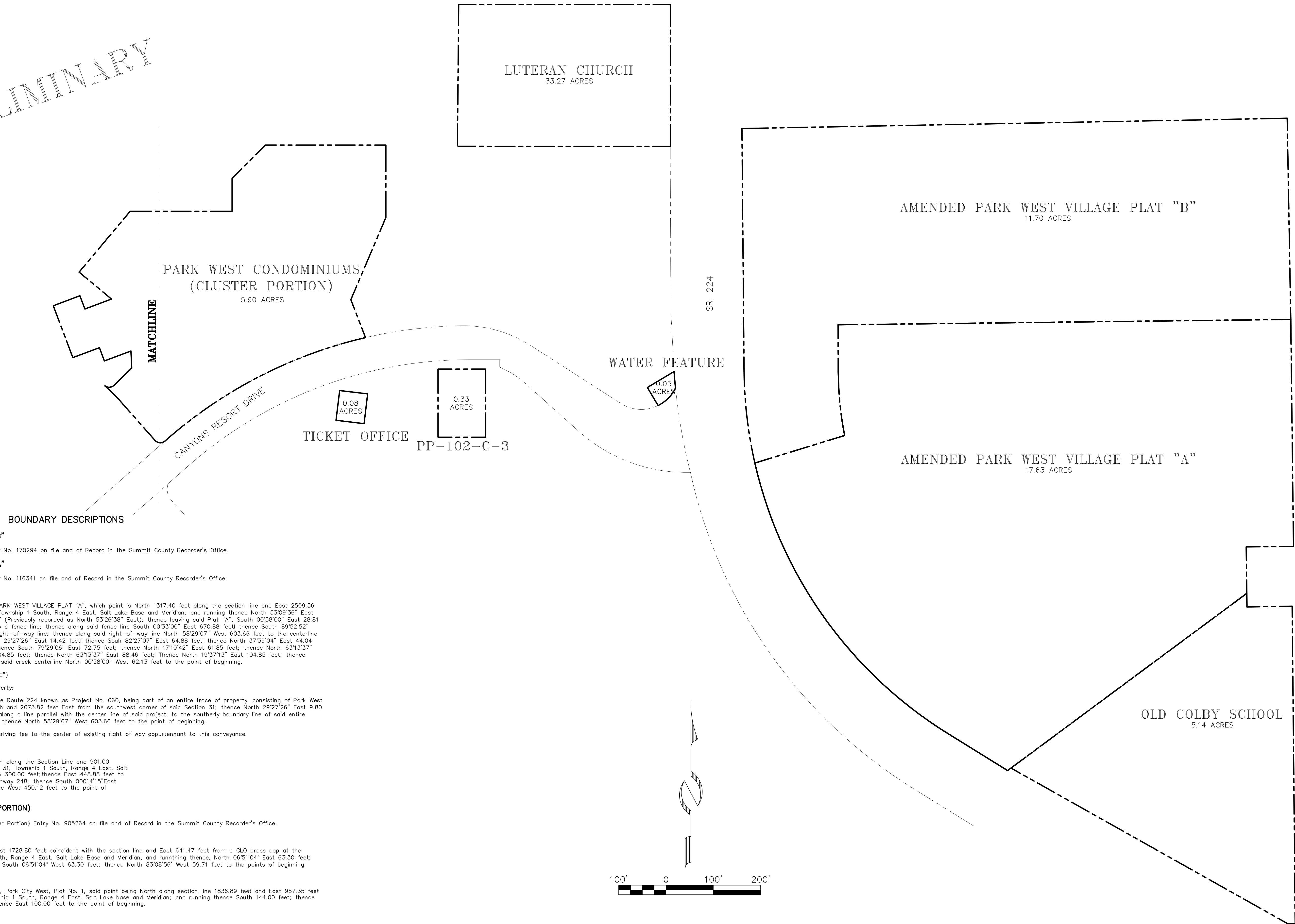
3/2/18 JOB NO.: 9-1-18 FILE: X:\CanyonsLDP\dwg\sr\plat2018\water plat.dwg



GOVERNING BODY APPROVAL AND ACCEPTANCE
APPROVED AND ACCEPTED THIS _____ DAY OF _____, 2018 ON BEHALF OF THE SUMMIT COUNTY COUNCIL, COUNTY DEVELOPMENT CODE SECTION 10-3-18.
BY: SNYDERVILLE BASIN PLANNING COMMISSION CHAIR

RECORDED
STATE OF UTAH, COUNTY OF SUMMIT, AND FILED
AT THE REQUEST OF _____
FEE _____ RECORDER _____
TIME _____ DATE _____ ENTRY NO. _____

PRELIMINARY



AMENDED PARK WEST VILLAGE PLAT "B"

All of Amended Park West Village Plat "B" Entry No. 170294 on file and of Record in the Summit County Recorder's Office.

AMENDED PARK WEST VILLAGE PLAT "A"

All of Amended Park West Village Plat "A" Entry No. 116341 on file and of Record in the Summit County Recorder's Office.

OLD COLBY SCHOOL

Beginning at the Southeast corner of Lot 39, PARK WEST VILLAGE PLAT "A", which point is North 1317.40 feet along the section line and East 2509.56 feet from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian; and running thence North 53°09'36" East 74.04 feet along the South line of said Plat "A" (Previously recorded as North 53°28'38" East); thence leaving said Plat "A", South 00°58'00" East 28.81 feet; thence North 89°02'00" East 95.53 feet to a fence line; thence along said fence line South 00°33'00" East 870.88 feet; thence South 89°52'52" West 82.80 feet to the Northeastly Highway right-of-way line; thence along said right-of-way line North 58°29'07" West 603.66 feet to the centerline of a creek; thence along said center line, North 29°27'26" East 14.42 feet; thence South 82°27'07" East 64.88 feet; thence North 37°39'04" East 44.04 feet; thence North 78°54'23" East 64.96 feet; thence South 79°29'06" East 72.75 feet; thence North 17°10'42" East 61.85 feet; thence North 63°13'37" East 88.48 feet; thence North 19°37'13" East 104.85 feet; thence North 63°13'37" East 88.48 feet; thence North 19°37'13" East 104.85 feet; thence North 60°24'01" East 81.57 feet, thence leaving said creek centerline North 00°58'00" West 62.13 feet to the point of beginning.

(Formerly known as PARK WEST VILLAGE PLAT "C")

Excepting therefrom the following described property:

A parcel of land in fee for the widening of State Route 224 known as Project No. 060, being part of an entire trace of property, consisting of Park West Village Plat "C", which point is 979.12 feet North and 2073.82 feet East from the southwest corner of said Section 31; thence North 29°27'26" East 9.80 feet; thence South 60°38'17" East 660.66 feet along a line parallel with the center line of said project, to the southerly boundary line of said entire tract; thence South 89°52'52" West 65.99 feet; thence North 58°29'07" West 603.66 feet to the point of beginning.

Together with any and all abutters right of underlying fee to the center of existing right of way appurtenant to this conveyance.

LUTHERAN CHURCH

BEGINNING at a point which is 2308.08 feet North along the Section Line and 901.00 feet East from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base & Meridian, and running thence North 300.00 feet; thence East 448.88 feet to a point on the Westerly Right of Way Line of Highway 248; thence South 00°14'15" East a long said Right of Way Line 300.00 feet; thence West 450.12 feet to the point of beginning.

PARK WEST CONDOMINIUMS (CLUSTER PORTION)

All of Amended Park West Condominiums (Cluster Portion) Entry No. 905264 on file and of Record in the Summit County Recorder's Office.

TICKET OFFICE

Beginning at a point that is North 00°00'29" East 1728.80 feet coincident with the section line and East 641.47 feet from a GLO brass cap at the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and running thence North 06°51'04" East 63.30 feet; thence South 83°08'56" East 59.71 feet; thence South 06°51'04" West 63.30 feet; thence North 83°08'56" West 59.71 feet to the points of beginning.

PP-102-C-3

Beginning at a point on the West line of Lot 13, Park City West, Plat No. 1, said point being North along section line 1836.89 feet and East 957.35 feet from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake base and Meridian; and running thence South 144.00 feet; thence West 100.00 feet; thence North 144.00 feet; thence East 100.00 feet to the point of beginning.

WATER FEATURE

Beginning at a point that is North 00°00'29" East 1759.97 feet coincident with the section line and East 1322.28 feet from a GLO brass cap at the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and running thence North 30°47'56" West 44.39 feet; thence North 59°12'04" East 65.64 feet; to a point on a non-tangent curve having a radius of 1230.92 feet that is coincident with SR-224 right of way, running thence coincident along the arc of SR-224 right of way 35.11 feet through a central angle of 01°38'03" to a point on a non-tangent curve having a radius of 80.50 feet that is coincident with the Canyons Resort Drive right of way running thence coincident along the arc of the Canyons Resort Drive right of way 52.90 feet through a central angle of 37°39'10" to the point of beginning.

BOUNDARY DESCRIPTIONS

AMENDED PARK WEST VILLAGE PLAT "B"
 All of Amended Park West Village Plat "B" Entry No. 170294 on file and of Record in the Summit County Recorder's Office.

AMENDED PARK WEST VILLAGE PLAT "A"
 All of Amended Park West Village Plat "A" Entry No. 116341 on file and of Record in the Summit County Recorder's Office.

OLD COLBY SCHOOL
 Beginning at the Southeast corner of Lot 39, PARK WEST VILLAGE PLAT "A", which point is North 1317.40 feet along the section line and East 2509.56 feet from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian; and running thence North 53°09'36" East 74.04 feet along the South line of said Plat "A" (Previously recorded as North 53°28'38" East); thence leaving said Plat "A", South 00°58'00" East 28.81 feet; thence North 89°02'00" East 95.53 feet to a fence line; thence along said fence line South 00°33'00" East 870.88 feet; thence South 89°52'52" West 82.80 feet to the Northeastly Highway right-of-way line; thence along said right-of-way line North 58°29'07" West 603.66 feet to the centerline of a creek; thence along said center line, North 29°27'26" East 14.42 feet; thence South 82°27'07" East 64.88 feet; thence North 37°39'04" East 44.04 feet; thence North 78°54'23" East 64.96 feet; thence South 79°29'06" East 72.75 feet; thence North 17°10'42" East 61.85 feet; thence North 63°13'37" East 88.48 feet; thence North 19°37'13" East 104.85 feet; thence North 63°13'37" East 88.48 feet; thence North 19°37'13" East 104.85 feet; thence North 60°24'01" East 81.57 feet, thence leaving said creek centerline North 00°58'00" West 62.13 feet to the point of beginning.
 (Formerly known as PARK WEST VILLAGE PLAT "C")
 Excepting therefrom the following described property:
 A parcel of land in fee for the widening of State Route 224 known as Project No. 060, being part of an entire trace of property, consisting of Park West Village Plat "C", which point is 979.12 feet North and 2073.82 feet East from the southwest corner of said Section 31; thence North 29°27'26" East 9.80 feet; thence South 60°38'17" East 660.66 feet along a line parallel with the center line of said project, to the southerly boundary line of said entire tract; thence South 89°52'52" West 65.99 feet; thence North 58°29'07" West 603.66 feet to the point of beginning.
 Together with any and all abutters right of underlying fee to the center of existing right of way appurtenant to this conveyance.

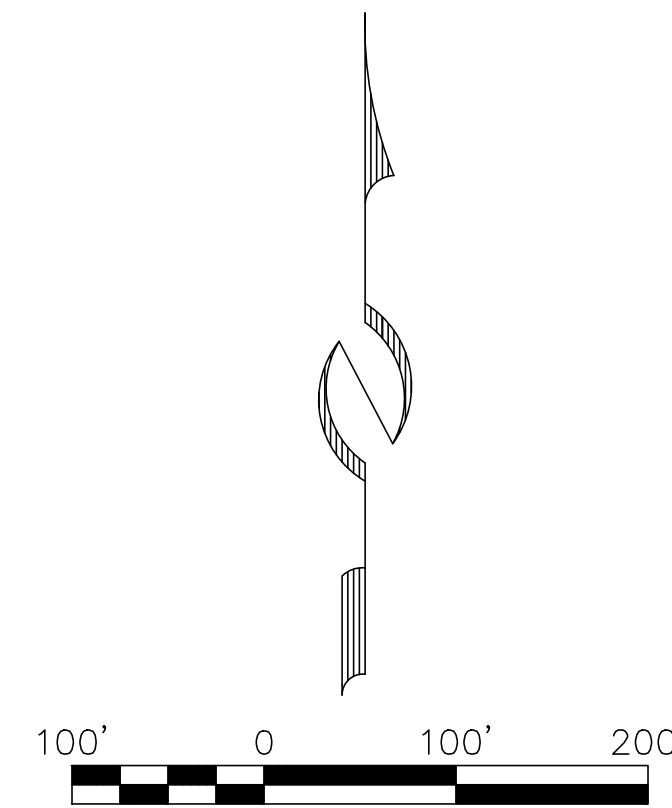
LUTHERAN CHURCH
 BEGINNING at a point which is 2308.08 feet North along the Section Line and 901.00 feet East from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base & Meridian, and running thence North 300.00 feet; thence East 448.88 feet to a point on the Westerly Right of Way Line of Highway 248; thence South 00°14'15" East a long said Right of Way Line 300.00 feet; thence West 450.12 feet to the point of beginning.

PARK WEST CONDOMINIUMS (CLUSTER PORTION)
 All of Amended Park West Condominiums (Cluster Portion) Entry No. 905264 on file and of Record in the Summit County Recorder's Office.

TICKET OFFICE
 Beginning at a point that is North 00°00'29" East 1728.80 feet coincident with the section line and East 641.47 feet from a GLO brass cap at the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and running thence North 06°51'04" East 63.30 feet; thence South 83°08'56" East 59.71 feet; thence South 06°51'04" West 63.30 feet; thence North 83°08'56" West 59.71 feet to the points of beginning.

PP-102-C-3
 Beginning at a point on the West line of Lot 13, Park City West, Plat No. 1, said point being North along section line 1836.89 feet and East 957.35 feet from the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake base and Meridian; and running thence South 144.00 feet; thence West 100.00 feet; thence North 144.00 feet; thence East 100.00 feet to the point of beginning.

WATER FEATURE
 Beginning at a point that is North 00°00'29" East 1759.97 feet coincident with the section line and East 1322.28 feet from a GLO brass cap at the southwest corner of Section 31, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and running thence North 30°47'56" West 44.39 feet; thence North 59°12'04" East 65.64 feet; to a point on a non-tangent curve having a radius of 1230.92 feet that is coincident with SR-224 right of way, running thence coincident along the arc of SR-224 right of way 35.11 feet through a central angle of 01°38'03" to a point on a non-tangent curve having a radius of 80.50 feet that is coincident with the Canyons Resort Drive right of way running thence coincident along the arc of the Canyons Resort Drive right of way 52.90 feet through a central angle of 37°39'10" to the point of beginning.



ANNEXATION TO MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 31,
 THE SOUTHEAST QUARTER OF SECTION 36 & THE NORTHEAST QUARTER OF SECTION 1
 TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
 SUMMIT COUNTY, UTAH

(435) 649-9467

 CONSULTING ENGINEERS LAND PLANNERS SURVEYORS
 323 Main Street P.O. Box 2664 Park City, Utah 84060-2664

3/2/18 JOB NO.: 9-1-18 FILE: X:\CanyonsLDP\dwg\sr\plat2018\water plat.dwg

GOVERNING BODY APPROVAL AND ACCEPTANCE APPROVED AND ACCEPTED THIS _____ DAY OF _____, 2018 ON BEHALF OF THE SUMMIT COUNTY COUNCIL. COUNTY DEVELOPMENT CODE SECTION 10-3-18. BY: SNYDERVILLE BASIN PLANNING COMMISSION CHAIR	RECORDED STATE OF UTAH, COUNTY OF SUMMIT, AND FILED AT THE REQUEST OF _____
	FEE _____ RECORDER _____ TIME _____ DATE _____ ENTRY NO. _____

BOUNDARY DESCRIPTIONS

PARK WEST CONDOMINIUMS (GEORGETOWN PORTION)

All of Amended Park West Condominiums (Georgetown Portion) Entry No. 905264 on file and of Record in the Summit County Recorder's Office.

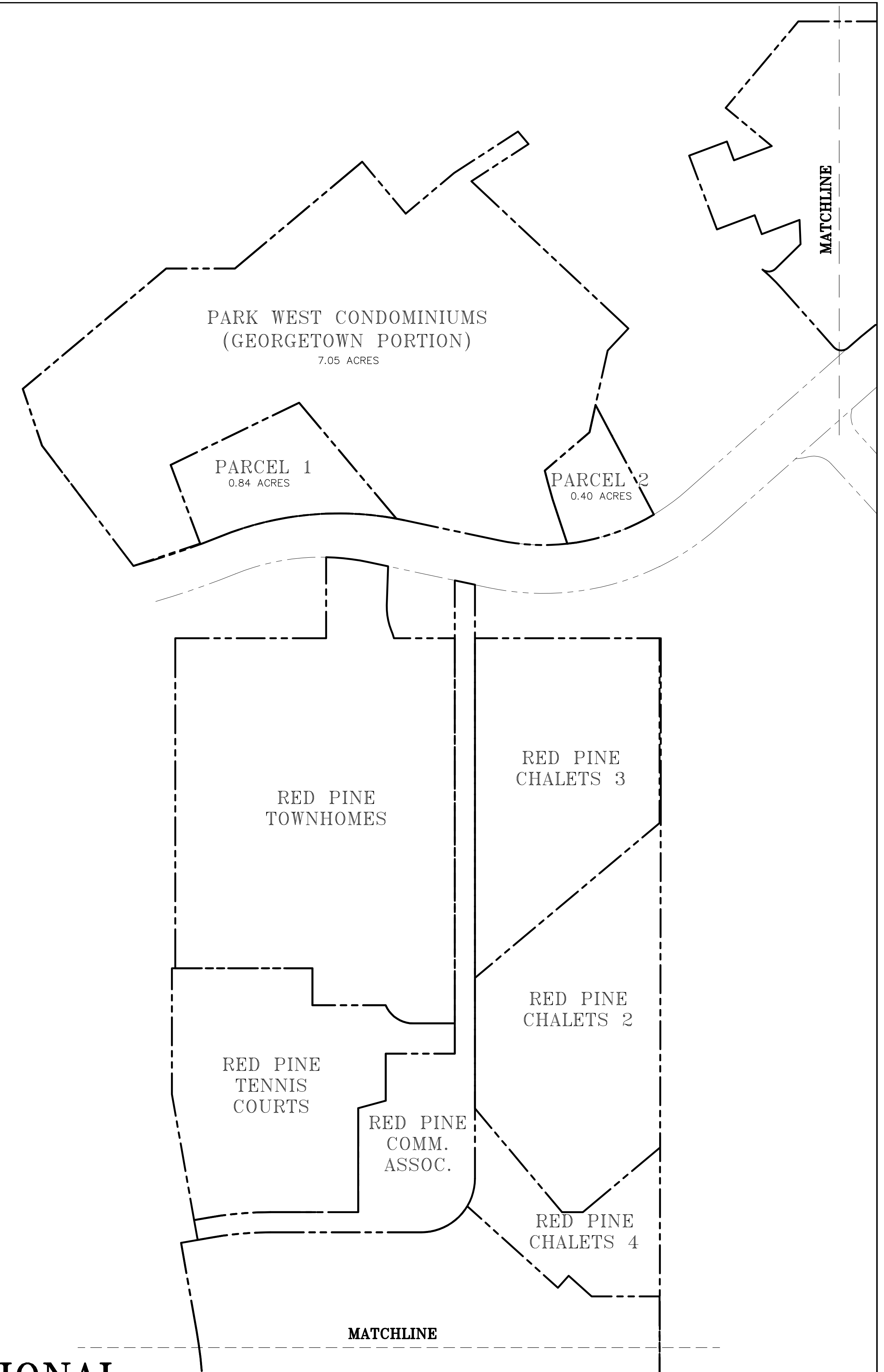
PARCEL 1

To be written.

PARCEL 2

To be written.

PRELIMINARY



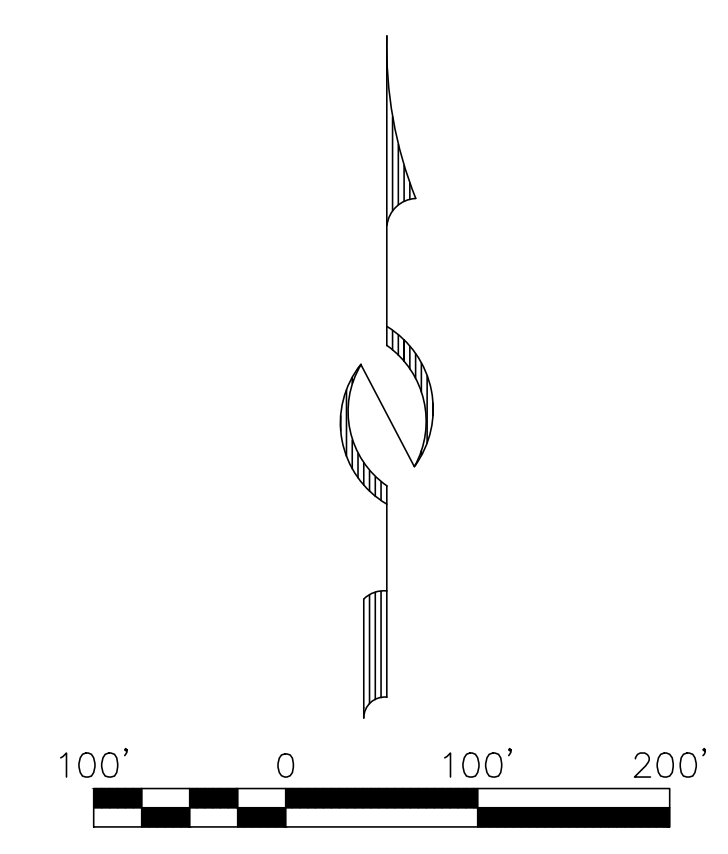
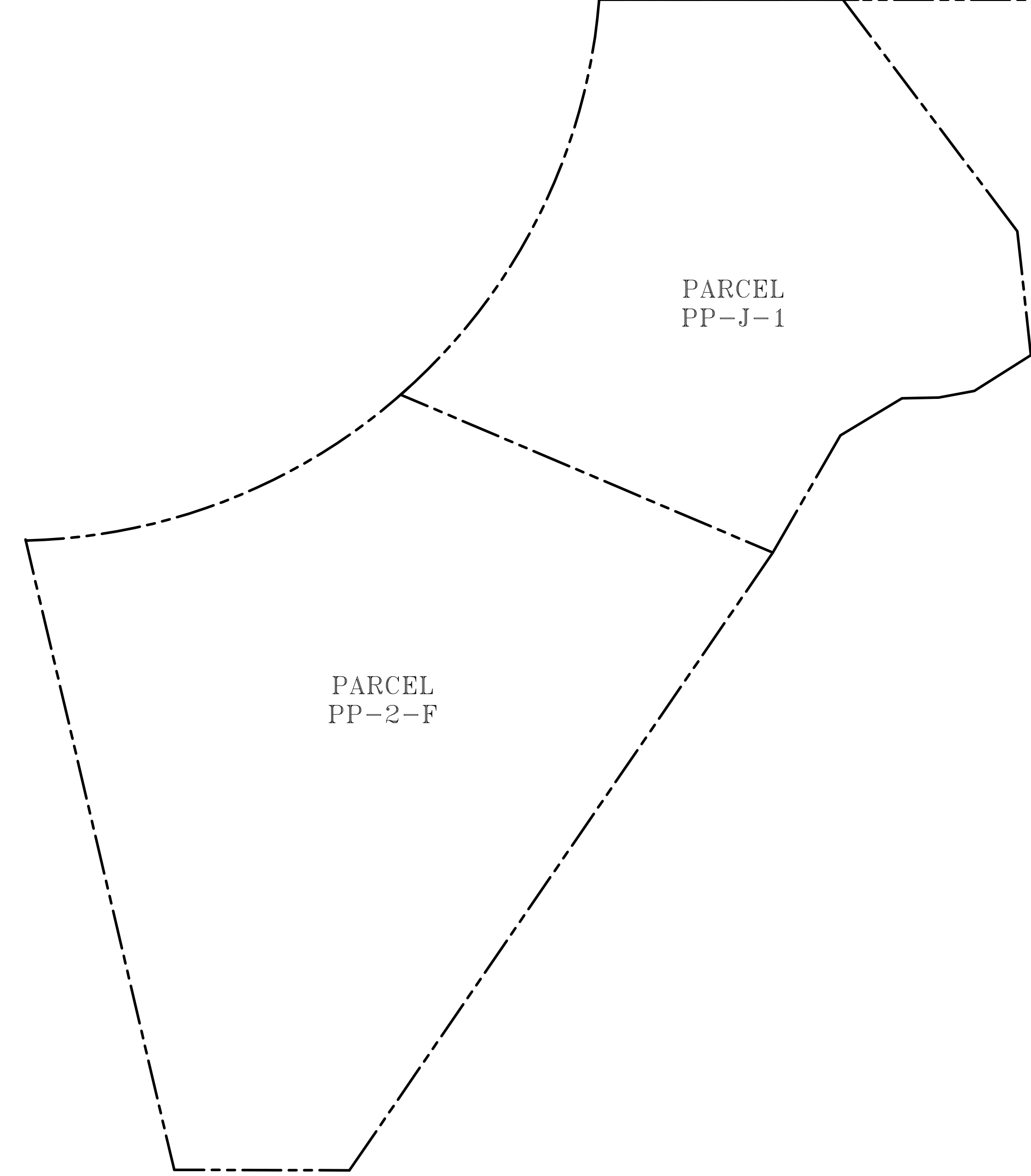
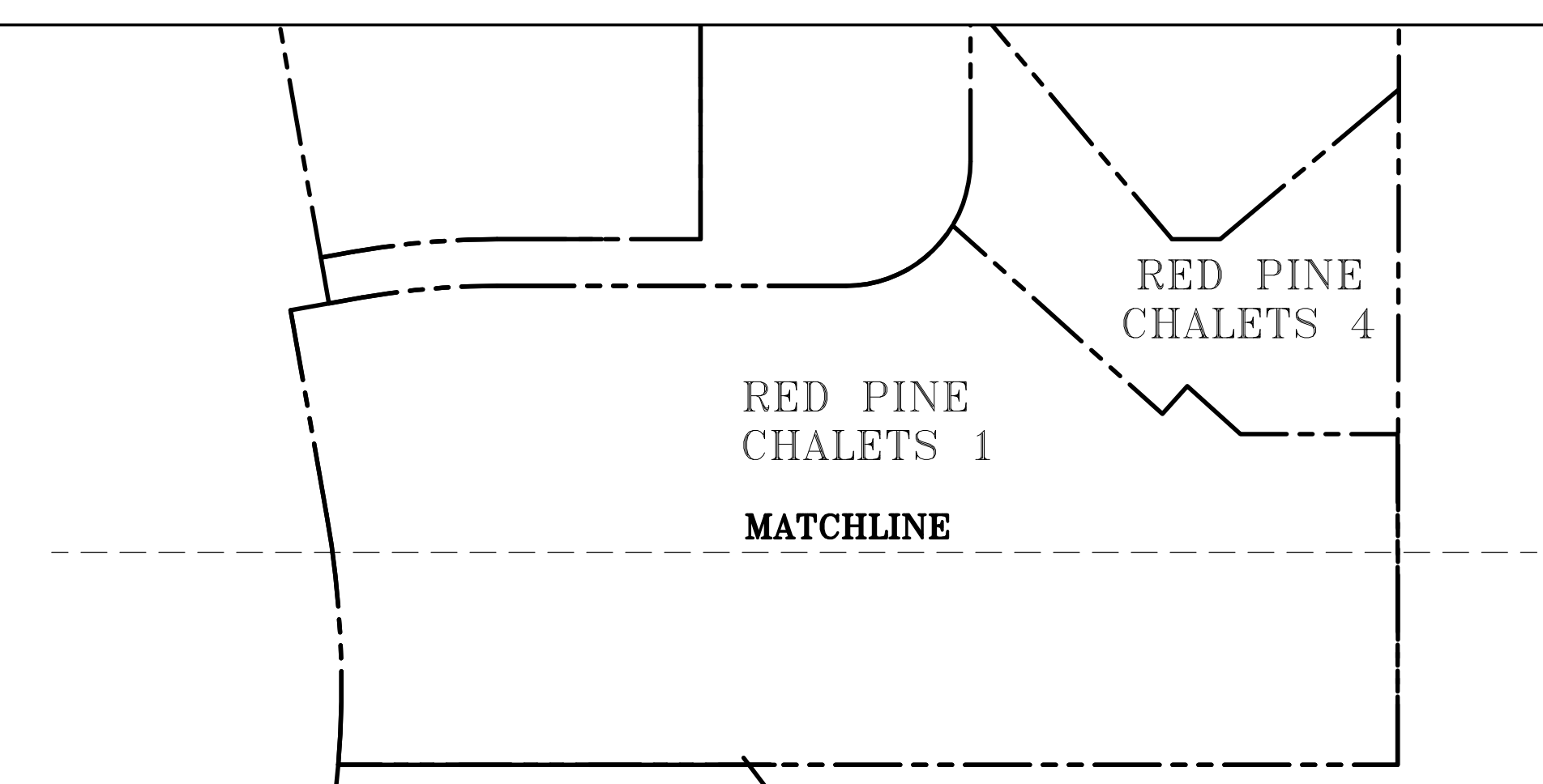
**ANNEXATION TO MOUNTAIN REGIONAL
WATER SPECIAL SERVICE DISTRICT**

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 31,
THE SOUTHEAST QUARTER OF SECTION 36 & THE NORTHEAST QUARTER OF SECTION 1
TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
SUMMIT COUNTY, UTAH

SHEET 3 OF 4

3/2/18 JOB NO.: x-x-x-x FILE: X:\CanyonsLDP\dwg\sr\plat2018\water plat.dwg	
GOVERNING BODY APPROVAL AND ACCEPTANCE	RECORDED
APPROVED AND ACCEPTED THIS _____ DAY OF _____, 2018 ON BEHALF OF THE SUMMIT COUNTY COUNCIL.	STATE OF UTAH, COUNTY OF SUMMIT, AND FILED AT THE REQUEST OF _____
COUNTY DEVELOPMENT CODE SECTION 10-3-18.	FEE _____ RECORDER _____
BY: SNYDERVILLE BASIN PLANNING COMMISSION CHAIR	TIME _____ DATE _____ ENTRY NO. _____

PRELIMINARY



**ANNEXATION TO MOUNTAIN REGIONAL
WATER SPECIAL SERVICE DISTRICT**

SHEET 4 OF 4

(435) 649-9467

Allance Engineering Inc

CONSULTING ENGINEERS LAND PLANNERS SURVEYORS

323 Main Street P.O. Box 2664 Park City, Utah 84060-2664

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 31,
THE SOUTHEAST QUARTER OF SECTION 36 & THE NORTHEAST QUARTER OF SECTION 1
TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
SUMMIT COUNTY, UTAH

3/2/18 JOB NO.: x-x-x-x FILE: X:\CanyonsLDP\dwg\sr\plat2018\water plat.dwg

GOVERNING BODY APPROVAL AND ACCEPTANCE APPROVED AND ACCEPTED THIS _____ DAY OF _____, 2018 ON BEHALF OF THE SUMMIT COUNTY COUNCIL. COUNTY DEVELOPMENT CODE SECTION 10-3-18. BY: SNYDERVILLE BASIN PLANNING COMMISSION CHAIR	RECORDED STATE OF UTAH, COUNTY OF SUMMIT, AND FILED AT THE REQUEST OF _____ _____ FEE _____ RECORDER _____ TIME _____ DATE _____ ENTRY NO. _____
--	---