

Summit County Service Area #3
APRIL 22, 2021
APPROVED MEETING MINUTES
BOARD OF TRUSTEES MEETING
629 E. Parkway Drive, Suite 1,
Park City UT 84098

BOARD OF TRUSTEES

Vince Pao-Borjigin, *Chair* Scott Sharp, *Treasurer* Henry Adams
Suzanne Carpenter, *Vice Chair* Paul Kraus, *Clerk* Hally Hanssen

BOARD Present: Vince Pao-Borjigin; Suzanne Carpenter; Scott Sharp; Paul Kraus; Henry Adams.

Absent: Hally Hansen.

STAFF Present: John O'Brien (General Manager).

Absent: Eileen Haynes (Assistant Clerk).

CONTRACTOR: Chris Bullock (Roads Master/Water Operator).

PUBLIC: Larry Elbert (SL-C-177).

ELECTRONIC: All participation occurred through the Zoom platform.

1. Welcome and call meeting to order (motion/voting): CALLED TO ORDER AT 5.30PM

a. Electronic meeting statement: read aloud by Vince.

b. Roll call: completed.

2. Public Comment: no comment offered.

3. Road and Trail (motion/voting):

a. Budget for roads: A discussion ensued regarding funds available for the proposed road projects.

Vince replied, John will have to consult with Larry Finch and Angie. We need to know what our 2021 budget is. Out of the \$120k from last year, how much of that are we rolling over into this year's since we didn't do much. How much is in our capital account and is it accurate?

Suzanne replied at the end of each year the budget has to come out a zero balance. That was the intent of creating this capital account so that if we had additional monies, we would then transfer them into a capital account for future spend. Did those transactions occur and into what account? The \$636k number looks like what she expects but we need to ensure it is property identified. Chris pulled up the December 2020 board meeting minutes and it appears to answer our questions except for the transfer. Suzanne replied we need to know if the transfers of capital reserves occurred.

Suzanne motioned that we proceed with the recommendations for the roads with an action for the treasurer, clerk and general manager to confirm that those funds are in the capital account and are accessible for this project and that we hold a meeting if it is not accessible which was seconded by Scott.

Paul stated he is uncomfortable with this conversation and that he would be a 'nay' vote at this time.

Scott stated he found an email from Larry Finch indicating he transferred \$150k from *PTIF 850* to *Wells 2029 General Fund* on October 30, 2020. The bottom line is we have money for roads, and we need to approve. To take advantage of the County's assistance and to make the road projects happen, he will support Suzanne's motion. Suzanne replied we must find the documents that support that these funds are available. Vince replied that may be a quick phone call to our audit group. John replied he has reached out to Larsen and he recommended for our organization to keep with a calendar year rather than going to a fiscal year.

Suzanne stated John should have access to these audit reports. If he doesn't, we need to get a paper copy for our files, and he needs to have access to it. They are public records that should be available.

Vince suggested the motion be revised to state "to be confirmed by end of day Monday". If the numbers work out, we will send an email to everybody and if the board approves that we can proceed. We are pre-approving

the vote now, but we are verifying it. Vince is concerned that we understand how much money we have and to avoid spending all of it. Paul agreed.

Suzanne amended the motion to include “we are going to proceed with the budget for the roads for 2021 on the condition that the money is confirmed to be available in our PTIF accounts by the end-of-business Monday April 26, 2021 which was seconded by Scott. Support was unanimous.

4. Water (motion/voting):

- a. Water rate increase discussion: Vince presented a slide show and asked for comments. He asked the age of the Silver Bullet. Chris replied he does not have a record for the Silver Bullet. It was built between 1965 and 1999. Vince continued, we have 13.5 miles of pipe, 200 plus homes on the water system and 193 homes on wells utilizing the Service Area’s water rights and shares. Our current revenue is \$277k and our expenses are \$325k. Our last rate increase was in 2008. Chris stated the rate was increased at that time from \$73 to \$81. Scott asked for our total revenue including overages. Paul suggested we omit the overages from this discussion because they can’t be counted on as ongoing revenue. Chris stated we are budgeting without the overages. The overages are what keeps us in the black. Vince suggested we quality that with the base rate revenue. Vince added that Silver Creek is growing rapidly, and we are at an 80% build-out. This highlights our near-term needs including replacing the Silver Bullet, resting the primary well, the Greenfield well with arsenic treatment, and increased fire flow. We are more than justifying the rate increase not only to meet expenses but also capital improvements and the long-term needs. Vince showed the graph regarding comparable water rates demonstrating our proposed rate increase is in line with other water company rates in the area. Vince stated he would add the gallon costs for water use and we will compare it with our current rate and fee schedule. Vince presented slide 7 which shows the number of homes and revenue. He wondered if this would add confusion. Henry agreed. Vince suggested in its place, he will put in some numbers to show comparisons. If someone was using up to 20k gallons their rate increase from \$81 to \$99 would represent a significant amount of our current users. He plans to show some examples to help viewers visualize it. Suzanne replied she likes Henry’s chart because it helps people understand in order to keep the water system operational it needs all of us as a group. There is a question of, why do we need this rate increase at the lower end, can’t we just collect it at the high end. The answer is no. It’s the money that everybody contributes that keeps it functional. Paul agreed. It is a community solution. He feels the graph gives the presenter an opportunity to drive that home. Henry suggested amending the graph to show the ‘y axis’ in a ‘dollar’ format so it clearly calls out that is revenue versus the quantity of homes. For the month of August, you can see the high-water users account for the majority of the revenue but when you consider the rest of the year, accounting for all users outweighs the high users over the course of the year. The base rate increase is going to have the most significant impact. Scott suggested this slide is shown earlier in the presentation as a lead-in to the rest of the presentation. Suzanne agreed. Everybody wants to know the data the board is using. We are looking at the data, we are running analytics and we are making decisions on how to proceed. Vince asked who do we want to present this? Scott stated Vince is doing a good job. Suzanne stated it should come from the chair with questions being managed by John and Chris. Vince agreed. Chris asked if Vince was going to include the rate and fee schedule they have been meeting about the last couple of weeks? Vince replied yes.

John stated he will post Monday or Tuesday of next week which will meet the requirements.

Suzanne motioned that we set a public hearing for a water rate increase using the information and analysis that has been provided which was seconded by Paul. Support was unanimous.

5. Adjournment: *Suzanne motioned to adjourn which was seconded by Scott. Approval was unanimous at 6:20pm.*