

BOARD OF TRUSTEES MEETING MINUTES

October 17, 2022
** District Office**
6:00 p.m.

I. CALL TO ORDER

The October 17, 2022, Board of Trustees meeting was called to order by Vice Chair Mary Ann Pack at 6:00 p.m. Other Board members in attendance were Robert Richer, Dick Pick, and Ryan Dickey. Jan Wilking was excused. Staff in attendance were Mike Luers, Dan Olson, Chad Burrell, Kevin Berkley, Bryan Steele, Lisa Sessions, Corey Shorkey, and Kim Dudley. Also, in attendance were Jeremy Cook, Cohne/Kinghorn and Craig Ashcroft, Carollo Engineers.

II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for September 19, 2022
- B. Escrow Fund Reduction Approval
 - 1. SR 248 Bicycle and Pedestrian Access – Retain 0 percent
 - 2. Utah Olympic Park Main Base Area Sewer Line Relocation – Retain 0 percent
- C. Substantial Completion Approval
 - Silver Creek Village Lot 8

Ms. Pack mentioned there was an error on the minute's motion to adjourn, stating Mr. Pack instead of Ms. Pack. Ms. Dudley corrected the minutes before the meeting.

Mr. Richer made the motion to approve the Consent Agenda, Mr. Pick seconded the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick and Ms. Pack voting in the affirmative.

Mr. Luers said before we open the Public Hearing, he spoke to Mr. Wilking, and he asked to change the November Board meeting to November 28, 2022. It is currently scheduled for the week of Thanksgiving. Mr. Luers asked if we could change it to November 28, 2022. Mr. Pick stated that he was going to ask the same thing. All Board members agreed.

III. PUBLIC HEARINGS

Ms. Pack opened the Public Hearing at 6:02 p.m.

- A. **A RESOLUTION ENACTING AND IMPOSING IMPACT FEES, PROVIDING FOR THE CALCULATION AND COLLECTION OF IMPACT FEES AND DEFINING APPEAL PROCEDURES FOR THE REVIEW OF CONTESTED IMPACT FEES. THE RESOLUTION INCLUDES ADOPTION OF THE IMPACT FEE FACILITIES PLAN (IFFP) AND IMPACT FEE WRITTEN ANALYSIS (IFWA).**

Mr. Luers stated this Public Hearing is for the Resolution Enacting and Imposing Impact Fees, providing for the Calculation and Collection of Impact Fees and Defining Appeal Procedures for the Review of Contented Impact Fees. The Resolution includes Adoption of the Impact Fee Facilities Plan (IFFP and Impact Fee Written Analysis (IFWA). There is also a Summary included. All have been posted on the state website and other appropriate locations. A couple comments, these documents were written over a period of months and at that time we were anticipating a project of over \$112 million dollars which included using the Bio-meg process. The Impact Fees that were calculated based on those assumptions are on page two of the Summary. Now that we are shifting to a conventional process there is a possibility that the Impact Fee may come down. The project cost won't come down, but we get more capacity per million dollars spent. We were concerned that a year from now when we recalculate these fees the fees would be less than what is shown here. Mr. Luers proposed reducing these fees and trying to avoid a potential issue where we would have to reduce fees a year from now.

The Proposed Impact Fees are shown below:

Historical and Proposed Impact Fees

YEAR:	2019	2020	2021	2022	2023	2024	2025
Historical Impact Fees:	\$8,538	\$8,772	\$9,013	\$11,015			
Percent Increase	2.7%	2.7%	2.7%	22.20%			
Proposed Impact Fees*:					\$13,163	\$13,444	\$13,719
Percent Increase					19.50%	2.10%	2.00%

* Fees have not been approved by the Board

Mr. Pick asked if we did a recalculation.

Mr. Luers stated we took Mr. Ashcroft's, Carollo Engineers, preliminary estimate of what the system would cost and made some assumptions on interest rates. We ran a series of calculations to come up with these numbers.

Mr. Pick asked if we needed to issue new documents.

Mr. Luers said we will not issue new documents until we have a solid estimate from Mr. Ashcroft, Carollo Engineers next year.

Mr. Pick asked Mr. Cook if the amount of the Impact Fee was less than before, would that be valid on our part.

Mr. Cook replied that the Board can adopt a Resolution that is less than the maximum amount. He stated that he feels comfortable that it is legitimate, and we can adopt the Resolution.

Mr. Luers stated that the documents were available to the public and we have not received any comments.

There was no public comment.

Ms. Pack closed the Public Hearing at 6:10 p.m.

Ms. Pack opened the following Public Hearing at 6:10 p.m.

B. A RESOLUTION AMENDING THE SNYDERVILLE BASIN WATER RECLAMATION DISTRICT CONSOLIDATED FEE SCHEDULE INCLUDING AN INCREASE IN WASTEWATER USER FEES.

Mr. Luers stated the second Public Hearing is for User Fee increases. We had put in the Resolution a 3% increase but after giving it a lot of thought and receiving feedback from several vendors from the WEFTEC Conference were recommending a 4% increase for 2023 and 2024.

Mr. Richer asked what the feedback was from the vendors.

Mr. Luers responded stating they said prices are increasing and are not coming down. Mr. Luers gave an example of manholes previously costing \$75 dollars and have increased to \$208 dollars today.

The Proposed User Fees are shown below:

Historical and Proposed User Fees

YEAR:	2019	2020	2021	2022	2023	2024	2025
Historical User Fees:							
Volume Charge	\$2.69	\$2.77	\$2.85	\$2.94			
Base Rate	\$28.28	\$29.13	\$30.00	\$30.90			
Percent Increase	3.0%	3.0%	3.0%	3.0%			
Proposed User Fees*:							
Volume Charge					\$3.06	\$3.18	\$3.28
Base Rate					\$32.14	\$33.43	\$34.43
Percent Increase					4.0%	4.0%	3.0%
Monthly Wastewater Charge	\$40.92	\$42.15	\$43.40	\$44.72	\$45.51	\$47.32	\$48.76
(Based on 4,369 gal./month)							

*Fees have not been approved by the Board

Mr. Luers stated we have posted these documents and have not received any public comments.

Mr. Pick asked if we always have the option to change the fees if needed. Mr. Luers replied yes.

Mr. Richer acknowledges to management and staff what a good job we do with our strategy of slightly raising fees every year and staying on top of it.

There was no public comment.

Ms. Pack closed the Public Hearing at 6:16 p.m.

IV. PUBLIC INPUT – There was no public input.

V. APPROVAL OF EXPENDITURES – Bills in the Amount of \$922,208.09 – Mr. Luers stated the Expenditures were in the amount of \$922,208.09. He asked Mr. Berkley to give a summary of how we are wrapping up Silver Creek since we have money left in the budget for 2022.

Mr. Berkley said Silver Creek Trunkline Phase 3B is the last of the lining needed for Silver Creek Trunkline. He stated that a bypass is getting ready to be installed. They had to wait until the fall and are gearing up to do as much as possible. Mr. Berkley said that is a big chunk of money that hasn't been spent yet. We will be spending most of the balance this year but there will be some carryover into next year.

Mr. Luers told the Board that the Silver Creek Trunkline runs along SR248. Over the years, beavers have dammed the creek up and we have manholes out in the middle of a wetlands. As part of this project, we are building earthen peninsulas out to those manholes so the Collections department can do their job. That took years' worth of efforts to get the permits.

Mr. Pick made the motion to approve the Expenditures, Mr. Richer seconded the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.

VI. SERVICE AWARDS – Lisa Sessions 10 years

Ms. Pack presented Mrs. Sessions with her service award for 10 years. She congratulated her on 10 years with the District.

Mr. Berkley said Mrs. Sessions works with a bunch of Engineers and she makes it lively and fun in our department. He said she works great with contractors, her husband is a contractor, she is awesome at dealing with people.

Mr. Luers told the Board that Mrs. Sessions is the one who takes all the calls for inspections, sets up all the appointments, and schedules the inspectors.

Mr. Berkley stated that Mrs. Sessions has proven to be very versatile. She puts the inspection packets together; she has learned auto-cad and it's been helpful. We appreciate her and she's a great asset in our department.

The Board thanked Mrs. Sessions for her service in the District.

VII. SUBDIVISION PROJECTS

Estimated LEA REs Year to Date: # Above Splitter 1; # ECWRF 0; # SCWRF 242.17; Total 243.17
Proposed this Meeting: # Above Splitter 0; # ECWRF 0; # SCWRF 0; Total 0

VIII. DISTRICT MANAGER

A. Discussion Items – Review 2023 Tentative Budget – Mr. Luers handed out a revised copy of page 1 and 2 of the Budget. He said the only difference is that it shows the revised User Fee amount from 3% to 4%.

Each year in the month of October we present the Budget to the Board. No action is required today. There are some discussion items as we review the Budget. The Budget comes back to the Board in November to approve the Tentative Budget. We hold the Public Hearing in December where the 2023 Budget is approved.

Mr. Luers compared the User Fee Revenues as follows:

**2023 Tentative Budget
Income, O&M and Debt**

Income:

2022 User Fee Revenues - Budgeted	\$ 12,558,300
2023 User Fee Revenues - Proposed	\$ 13,392,354
2022 Impact Fee Revenues - Budgeted	\$ 5,726,535
2023 Impact Fee Revenues - Proposed	\$ 6,474,173

Operation and Maintenance Expenses:

2022 O&M Expenses (excluding capital)	\$ 8,728,381
2023 O&M Expenses (excluding capital)	\$ 9,673,236

Debt Service:

2022 Debt	\$ 1,503,050
2023 Debt	\$ 1,504,850

Mr. Luers stated that this includes a 4% increase in User Fees along with new customers that we anticipate coming online. The Impact Fees reflect the reduced amount that we discussed earlier.

Operation and Maintenance Expenses came in at \$9,673,236 and we will discuss further.

Debt Services about \$1.5 million and that's from the 2015 Bond Issue.

Mr. Luers presented the Capital Expenditures as follows:

**2023 Tentative Budget
 Capital Expenditures**

Capital Expenses:

2022 User Fee *"Renewal" Capital Expenses	\$ 4,229,500
2023 User Fee *"Renewal" Capital Expenses	\$ 6,208,500
2022 User Fee Capital Expenses	\$ 1,123,670
2023 User Fee Capital Expenses	\$ 999,242

2022 Impact Fee Capital Expenses	\$ 4,192,330
2023 Impact Fee Capital Expenses	\$10,993,510

*Renewal projects are paid for by existing customers and involve extending the life of existing infrastructure

User Fee *"Renewal Capital" Expenses are monies that we spend on the system to extend the life of the system. This maintains everything.

User Fee Capital Expenses are non-system capital expenses mainly trucks.

Impact Fee Capital Expenses are mainly the Expansion of the East Canyon Treatment Facility.

Mr. Luers reviewed some of the larger Renewal Projects as follows:

**2023 Tentative Budget
 Large Collection System *Renewal Projects**

Silver Creek Truckline Rehabilitation (50% UF)	\$ 250,000
East Canyon Trunkline Rehabilitation (66% UF)	\$ 4,600,000
Collection System Renewal Projects	\$ 1,600,000
Summit Park Reconstruction	\$ 936,000
Lower Park Ave. Project	\$ 207,000
Annual System Renewal Funding	\$ 100,000

*Renewal projects are paid for by existing customers and involve extending the life of existing infrastructure

Silver Creek Trunkline Rehabilitation is paid with 50% User Fees at \$250,000 the other half is paid by Impact Fees.

East Canyon Trunkline Rehabilitation cost is at \$4.6 million with 66% User Fees.

Collection System Renewal Projects is at \$1.6 million and is a host of projects across the system, most of which is lining.

Summit Park Reconstruction is about \$1 million, and we are slowing reconstructing the sewer lines.

Mr. Pick asked if the Summit Park Reconstruction was tied in with any roadwork that is going on. Mr. Luers responded that we always work with Mountain Regional and Summit County. The three of us each have a reason to tear up the street. Summit County wants to redo the street, Mountain

Regional wants to replace the water line, and we want to replace sewer lines. We work very hard to have all three of us at one time. It doesn't always work out that way but generally it does.

Mr. Berkley said that Summit Park Reconstruction is an area that we all really wanted to get improved. We joined in with Mountain Regional and Summit County wasn't to keen on joining in but is going to help rebuild some of the road and we are also eating the cost. All three entities are working together so we only get in there once to tear up the neighborhood.

Mr. Luers said that Summit County didn't have to participate in this project, but they did. Kudos to Summit County.

Ms. Pack asked if the sewer in Summit Park went in later. Mr. Luers replied that contractors were not instructed to build things the way they should have back then. Mr. Berkley said we inherited Summit Park as part of the District.

Annual System Renewal Funding is for projects that pop up in the middle of the year that we haven't been able to identify at \$100,000.

Mr. Luers showed a slide on a couple note worthy items as follows:

2023 Tentative Budget Noteworthy Items

Large Projects and Initiatives:

ECWRF Expansion Project (99% IF, 1% UF) \$ 8,902,752

Salaries and Wages:

Salaries and Wages Increased by CPI: 5.0% to 10.0% (COLA)
(CPI Western Region 8.2%; PCMC 10.5%)
Health Insurance Benefits: 6.4% increase in premium
(average ten years including 2023, 4.13%)
Dental Insurance Benefits: -0.6% increase in premium
(average three years including 2023, 0.7%)

Staffing:

2022 FTE 42
2023 FTE 45

The larger portion of the expenditures for the East Canyon Treatment Plant Expansion at 99% Impact Fees and 1% User Fees.

Mr. Luers moved on to Salaries and Wages. He put down 5.0% to 10.0% (COLA) but is recommending 6.5% to the Board. Mr. Luers asked Mr. Dickey if Park City Municipal has kept up on their (COLA) for the last 5-10 years. Mr. Dickey stated his understanding is that they have. To justify that number some of the discussion that went into that number was about the number of open positions, just to show that we were struggling to keep up. Mr. Dickey stated that the city put hard work into getting their (COLA) at 10.5%. Mr. Luers said he is looking for some feedback from the Board. Mr. Richer gave positive feedback. We've always maintained a fair and generous policy and value the team members here. The Board agreed on the recommendation of the 6.5% (COLA).

Mr. Luers said we are looking at a 6.4% increase in Health Insurance Premiums. Dental Insurance Premiums went down a little bit. We support Healthy Utah and require employees to have several preventative measures to qualify for a zero premium. If they are not made the premium is \$50 dollars a month.

Additional staff, Mr. Luers asked for one operator for the Treatment Department. The position would be in the laboratory and would assist the Laboratory Director. We are asking for two additional

employees for the Collections Department. We are falling behind on some maintenance, and we need to keep up on it.

Mr. Luers presented a slide on User Fees below:

Historical and Proposed User Fees

YEAR:	2019	2020	2021	2022	2023	2024	2025
Historical User Fees:							
Volume Charge	\$2.69	\$2.77	\$2.85	\$2.94			
Base Rate	\$28.28	\$29.13	\$30.00	\$30.90			
Percent Increase	3.0%	3.0%	3.0%	3.0%			
Proposed User Fees*:							
Volume Charge					\$3.06	\$3.18	\$3.28
Base Rate					\$32.14	\$33.43	\$34.43
Percent Increase					4.0%	4.0%	3.0%
Monthly Wastewater Charge	\$40.92	\$42.15	\$43.40	\$44.72	\$45.51	\$47.32	\$48.76
(Based on 4,369 gal./month)							

*Fees have not been approved by the Board

Mr. Luers stated that we are recommending a 4% increase in User Fees for 2023 and 2024 and 3% in 2025.

Mr. Luers showed the Impact Fees below:

Historical and Proposed Impact Fees

YEAR:	2019	2020	2021	2022	2023	2024	2025
Historical Impact Fees:							
Percent Increase	2.7%	2.7%	2.7%	22.20%			
Proposed Impact Fees*:							
Percent Increase					19.50%	2.10%	2.00%

* Fees have not been approved by the Board

Impact Fees are proposed at 19.5% for 2023 and 2.10% for 2024.

In summary inflation, significant price increases, all aspects of the operation, infrastructure is an aging system, and competitive wages, salaries, and benefits.

Mr. Luers gave an update on our special exceptions for permitting on the East Canyon Treatment Expansion and stated we have changed our treatment process, lowering one building, and moved some buildings. We are still looking at November 2, 2022, to be on Summit County's agenda. Once we receive County Council approval then we will go before the Planning Commission.

Mr. Luers reviewed the revised ECWRF Project schedule below:

Complete Special Exceptions and CUP - Summit County	December 2022
Complete Design of Conventional Process	October 2023
Bid Opening	January 2024
Construction	April 2024 – November 2027

He stated that once we have approval, we will complete the design of the conventional process. Bid opening will be in January 2024, and construction will start April 2024-November 2027.

B. Action Items

1. Consider Adopting Resolution #146 - Impact Fee Enactment (including Impact Fee Facilities Plan (IFPP) and Impact Fee Written Analysis (IFWA) – Mr. Luers wanted to clarify that on resolution #146 we updated page 13 to reflect the rates discussed in the Public Hearing.

Mr. Richer made the motion to adopt Resolution #146 - Impact Fee Enactment (including Impact Fee Facilities Plan (IFPP) and Impact Fee Written Analysis (IFWA), Mr. Dickey seconded the motion carried with Mr. Pick, Mr. Dickey, Mr. Richer, and Ms. Pack voting in the affirmative.

1. Consider Adopting Resolution #147 – Consolidated Fee Schedule - Mr. Luers also clarified that on resolution #147 we updated the first page as discussed in the Public Hearing.

Mr. Pick made the motion to adopt Resolution #147 - Consolidated Fee Schedule, Mr. Richer seconded the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick and Ms. Pack voting in the affirmative.

- C. Information Items
 - 1. Financial Statement
 - 2. Impact Fee Report – Mr. Luers told the Board that we had 21.3 Re's for the month

and we did have a drop. We will see what happens in the remaining 3 months.

IX. FUTURE AGENDA ITEMS

- A. Projects
- B. Operations
- C. Finance
- D. Governmental Matters

Mr. Richer made the motion to adjourn to Closed Session @ 6:02 p.m., Mr. Pick seconded the motion carried with Mr. Dickey, Mr. Pick, Mr. Richer, and Ms. Pack voting in the affirmative.

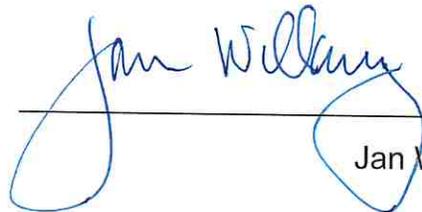
X. CLOSED SESSION – Discuss the character, professional competence or physical or mental health of an individual

Mr. Richer made the motion to reconvene to Open Session @ 6:35 p.m., Mr. Pick seconded the motion carried with Mr. Dickey, Mr. Pick, Mr. Richer, and Ms. Pack voting in the affirmative.

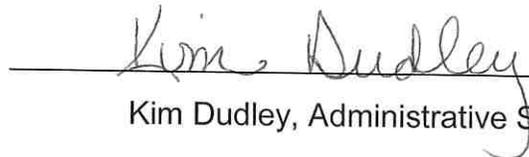
XI. ADJOURN

Mr. Pick made the motion to adjourn at 6:36 p.m., Mr. Richer seconded the motion carried with Mr. Dickey, Mr. Pick, Mr. Richer, and Ms. Pack voting in the affirmative.





Jan Wilking, Chairman



Kim Dudley, Administrative Specialist