

BOARD OF TRUSTEES MEETING MINUTES

October 21, 2024
** District Office**
5:00 p.m.

I. CALL TO ORDER

The October 21, 2024, Board of Trustees meeting was called to order by Chair Mr. Wilking at 5:00 p.m. Other Board members in attendance were Ms. Pack, Robert Richer, and Richard Pick. Mr. Dickey was excused. Staff in attendance were Mike Luers, Dan Olson, Chad Burrell, Bryan Steele, Cory Shorkey, and Kim Dudley. Also, in attendance were Craig Ashcroft, Carollo Engineers, and Brian Baker, Zions Bank.

II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for September 16, 2024
- B. Final Project Approval – Park East III
- C. Escrow Fund Reduction Approval
 - 1. Park East III– Retain 10%
 - 2. National Ability Center Mountain Center – Retain 0%
 - 3. Moonshadow – Retain 0%

Mr. Richer made the motion to approve the Consent Agenda with the corrected date on the Consent Agenda of September 16, 2024, Mr. Pick seconded, and the motion carried with Ms. Pack, Mr. Richer, Mr. Pick, and Mr. Wilking voting in the affirmative.

III. PUBLIC INPUT – There was no public input.

IV. APPROVAL OF EXPENDITURES – Bills in the Amount of \$1,111,397.81 – Mr. Luers mentioned the expenditure for C&L for approximately \$250,000, they are the company that does our pipeline lining. Another expense for the hydro-dyne screens, which is part of the ECWRF project, and added to Alder’s installation is about \$600,000. He asked the Board to consider approval.

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

V. SUBDIVISION PROJECTS

Estimated LEA REs Year to Date: # Above Splitter 4; # ECWRF 89; # SCWRF 290.68; Total 383.68
Proposed this Meeting: # Above Splitter 0; # ECWRF 0; # SCWRF 0; Total 0

VI. DISTRICT MANAGER

A. Discussion Items – Review 2025 Tentative Budget – Mr. Luers presented the 2025 Tentative Budget starting with Income, O&M, and Debt:

2025 Tentative Budget Income, O&M and Debt

Income:

2024 User Fee Revenues - Budgeted	\$14,064,443
2025 User Fee Revenues - Proposed	\$14,981,457
2024 Impact Fee Revenues - Budgeted	\$ 4,979,434
2025 Impact Fee Revenues - Proposed	\$ 5,073,475

The 2025 User Fee Revenues came in at approximately \$1 million dollars more due to new customers and a 4% increase.

The 2025 Impact Fees Revenues came in at approximately \$5 million. We added 12 RE’s to our projected model, increasing it to 339 RE’s for the year.

Operation and Maintenance Expenses:

2024 O&M Expenses (excluding capital)	\$10,825,081
2025 O&M Expenses (excluding capital)	\$11,382,776

O&M Expenses increased 3.9% over 2024. Plus, a new position for Collections brings the total to a 5% increase.

Debt Service:

2024 Debt	\$ 1,508,025
2025 Debt	\$ 1,396,574

The 2025 Debt Service will be going down. The final number will be determined after we refinance our 2015 Bonds.

Continuing with Capital Expenditures:

Capital Expenditures

Capital Expenses:

2024 User Fee *"Renewal" Capital Expenses	\$ 3,945,511
2025 User Fee *"Renewal" Capital Expenses	\$ 5,423,394

The 2025 "Renewal" Capital Expenses are the funds we spend on the existing system to keep it maintained.

2024 User Fee Capital Expenses	\$ 730,000
2025 User Fee Capital Expenses	\$ 555,000

The 2025 User Fee Capital Expenses are for our vehicle expenses.

2024 Impact Fee Capital Expenses	\$ 1,416,379
2025 Impact Fee Capital Expenses	\$ 2,200,306

Both the 2024 and 2025 Impact Fee Capital Expenses are for the compressors we are going to build and buy next year for the ECWRF project.

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

Mr. Luers asked Mr. Olson to review the Large Collection System Projects:

**2025 Tentative Budget
 Large Collection System Projects**

System Renewal – Collections	\$ 1,200,000
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Mr. Olson said that the System Renewal is our lining project that we do every year as pipes age and need to be replaced. This year we've been using C&L and they have done an excellent job. C&L won the bid for 2025 for a multi-year contract which is a 1-year contract that can be extended for 3 years. Assuming their prices don't go up we will use them again.

Mr. Wilking asked if we'd already selected the lines for renewal. Mr. Olson said yes, we have about 54-line segments lined up and most will be in the Jeremy Ranch area.

Summit Park Pump Stations	\$ 815,000
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We have two Sump Pumps in Summit Park that need to be replaced.

Mr. Pick asked if the Developers put in the Pump Stations. Mr. Olson replied they usually do and probably could have put in the Pump Stations.

American Flag Access Road \$ 750,000

A line was put in the early 1980's that has deteriorated over time. We need to gain access to make repairs to those lines. This will also give us access to future manholes.

Matterhorn Terrace Pipe Replacement \$ 640,000

Summit County will be doing road work there and we are taking advantage of that to re-do our pipes and manholes.

Annual System Renewal Funding \$ 100,000

The Annual System Renewal is for unforeseen and emergency projects.

Moving onto the East Canyon Facility Related Expenses:

**2025 Tentative Budget
East Canyon Facility Related Expenses**

East Canyon Expansion Project \$ 350,000

These funds are to update the building specifications to code for the ECWRF project.

Rotary Press Project \$ 3,425,700

Rotary Presses are what we took out of the ECWRF project that we are budgeting for next year.

DWQ Water Quality Studies \$ 150,000 (3-yrs.)

DWQ Water Quality Studies are approximately \$150,000 per 3-yrs.

Mr. Luers discussed some noteworthy items on the 2025 Tentative Budget.

**2025 Tentative Budget
Noteworthy Items**

Salaries and Wages:

Salaries and Wages Increased by CPI: 3.0% (COLA)
(Summit County/MR 2.9%)

We are proposing a 3.0% (COLA). For comparison Summit County and Mountain Regional are at 2.9%.

Health Insurance Benefits: 5.4% increase in premium
(ave. ten-year premium increase: 3.9%)

The Health Insurance Benefits come in at a 5.4% increase in premium. We have an average of a ten-year premium increase at 3.9% basically due to low utilization.

Dental Insurance Benefits: -1.3% increase in premium
(ave. three-year premium increase: 0.63%)

Dental Insurance Benefits decreased by 1.3% in premium.

Staffing:

2024 FTE 45
 2025 FTE 46 (add Collection System Supervisor)

We currently have 45 FTE and are proposing an additional Collection System Supervisor for 2025.

Historical and Proposed Monthly User Fees:

Historical and Proposed User Fees

YEAR:	2021	2022	2023	2024	2025	2026	2027	2028
Historical User Fees:								
Volume Charge	\$2.85	\$2.94	\$3.06	\$3.18	\$3.31			
Base Rate	\$30.00	\$30.90	\$32.14	\$33.43	\$34.77			
Percent Increase	3.0%	3.0%	4.0%	4.0%	4.0%			
Proposed User Fees*:								
Volume Charge						\$3.44	\$3.58	\$3.72
Base Rate						\$36.16	\$37.61	\$39.11
Percent Increase						4.0%	4.0%	4.0%
Total Monthly Wastewater Charge	\$41.69	\$42.95	\$44.69	\$46.47	\$48.34	\$50.27	\$52.29	\$54.38
(Based on 4,100 gal./month)								

*Fees have not been approved by the Board

The Board has approved a 4% increase for User Fees in 2025. We are proposing a 4% increase for User Fees in 2026, 2027, and 2028.

Historical and Proposed Impact Fees per RE:

Historical and Proposed Impact Fees

YEAR:	2020	2021	2022	2023	2024	2025 (July 1, 2025)
Historical Impact Fees:						
	\$8,772	\$9,013	\$11,015	\$13,163	\$13,444	
Percent Increase	2.7%	2.7%	22.20%	19.50%	2.10%	
Proposed Impact Fees*:						
						\$13,932
Percent Increase						3.63%

* Fees have not been approved by the Board

We are proposing a 3.63% increase for the 2025 Impact Fees to start on July 1, 2025.

Mr. Luers discussed the ECWRC Project Update:

**East Canyon Water Reclamation Facility
Project Update**

- DWQ has verbally indicated that they will not be imposing a 6.5 mg/l dissolved oxygen permit limitation.
- DWQ has indicated that we will be invited to discuss other outstanding permit issues in the near future.
- Existing construction permit will expire in 2025, will need to be reissued by DWQ.

Mr. Pick asked when our permit expires. Mr. Luers replied in the spring.

**Summary of Issues Impacting
the Budget**

- With pausing the EC Project, the District will see slightly higher O&M costs.
- Infrastructure is aging – higher maintenance and replacement cost.
- Competitive compensation and benefits continue to be a challenge.

Mr. Luers asked the Board if they had any questions. They thanked him for the summary and asked him to email them the presentation.

B. Action Items – Consideration for adoption Resolution No. 151 authorizing the issuance and sale of not more than \$13,000,000 aggregate principal amount of Sewer Revenue Refunding Bonds: and related matters. Mr. Wilking asked why we are considering this now. Mr. Luers introduced Mr. Baker with Zions Bank. Mr. Baker said that our 2015 bonds can be renewed at a lower interest rate. He explained that we could potentially save close to \$1 million if we renew now. Mr. Baker stated that there is nothing binding on Resolution No. 151 and if rates were to spike, we could decide not to move forward.

Mr. Richer made the motion to adopt Resolution No. 151 authorizing the issuance and sale of not more than \$13,000,000 aggregate principal amount of Sewer Revenue Refunding Bonds: and related matters, Mr. Pick seconded, and the motion carried with Ms. Pack, Mr. Richer, Mr. Pick, and Mr. Wilking voting in the affirmative.

A. Information Items

1. Financial Statement
2. Impact Fee Report – We had a strong month with 94 RE's.

Mr. Olson told the Board that we participated in the Operations Challenge in the state event for WEAU in St. George. After WEAU there was a composite team to be sent for the national event in New Orleans for WEF-TEC and we sent Steven Lamb from our Collections department. They took 3rd place in the Maintenance event, 2nd place in the Safety event, and overall, they took 6th place nationwide.

Mr. Lamb wanted to thank the Board for the opportunity to attend the WEF-TEC conference. Mr. Luers said it was a great conference and thanked the Board for allowing the staff to participate.

Mr. Olson also wanted to update the Board on the Sump Pump Incentive Program. He said that he and Mr. McPhie have inspected 135 sump pumps. Out of that 135 inspections 85 had sump pumps and 52 were connected incorrectly. Of that 52 there have been 27 sump pumps disconnected. There

were 7 people who didn't turn in the paperwork for the incentive. The total cost of those who turned in their paperwork was about \$82,000 and we've paid out around \$35,000 in incentives.

There was one instance where it cost a customer \$8,000 to get it disconnected. They ran it out to the street and there was no place for the water to go since there wasn't a storm drain, and it created an ice rink in their neighbor's driveway. We worked with the county and got permission to bore under the street to a storm drain. That cost the customer around \$52,000. Our incentive is \$3,500. The customer approached us and asked if there was anything else that we could do regarding the incentive. We've had 3 customers that it has cost more than \$15,000 to disconnect their sump pumps. We are asking the Board for direction regarding this issue. We believe that this is a great benefit for the District to have these sump pumps disconnected.

After the discussion, the Board asked Mr. Olson to put together a proposal and bring it back to the next meeting.

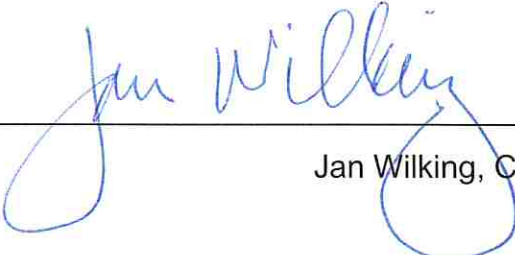
VII. FUTURE AGENDA ITEMS

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

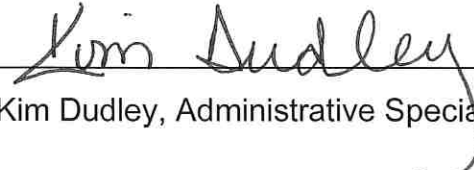
VIII. ADJOURN

Mr. Pick made the motion to Adjourn at 6:11 p.m., Mr. Richer seconded, and the motion carried with Ms. Pack, Mr. Richer, Mr. Pick, and Mr. Wilking voting in the affirmative.





Jan Wilking, Chairman



Kim Dudley, Administrative Specialist / Clerk