

BOARD OF TRUSTEES MEETING MINUTES

November 28, 2022
** District Office**
5:00 p.m.

I. CALL TO ORDER

The November 28, 2022, Board of Trustees meeting was called to order by Chair Jan Wilking at 5:00 p.m. Other Board members in attendance were Mary Ann Pack, Robert Richer, Dick Pick, and Ryan Dickey. Staff in attendance were Mike Luers, Dan Olson, Chad Burrell, Kevin Berkley, Bryan Steele, Corey Shorkey, Tony Piscitelli, Jayson Piscitelli, and Kim Dudley. Also, in attendance was Jeremy Cook, Cohne/Kinghorn.

II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for October 17, 2022
- B. Escrow Fund Reduction Approval
 - 1. Sommet Blanc – Retain 40%
 - 2. Silver Creek Village Center Lot 8 – Retain 20%

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

III. PUBLIC INPUT – There was no public input.

IV. APPROVAL OF EXPENDITURES – Bills in the Amount of \$1,423,447.28 – Mr. Luers stated the Expenditures were in the amount of \$1,423,477.28. He said there is approximately \$700,000 for the lining expenditures for Granite.

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

V. SERVICE AWARDS – Tony Piscitelli 5 years

Mr. Wilking presented Mr. Piscitelli with his service award for 5 years. It's wonderful to have folks like you that are committed here within the District. Mr. Wilking thanked Mr. Piscitelli for his service.

Mr. Olson stated this year Mr. Piscitelli has been our main guy on all our inspections for manholes. There are over 300 manholes that were readjusted, and Mr. Piscitelli inspected all of them. Each one of those manholes require 3 inspections a year to be complete. Mr. Olson said that Mr. Piscitelli also works with the county and state, which has benefited the District in all our relationships with them, which makes our jobs as managers easier. Mr. Olson said Mr. Piscitelli is an excellent employee and we are very glad to have him.

Mr. Luers told Mr. Piscitelli that we look forward to another 5 years or more.

The Board congratulated Mr. Piscitelli for his service in the District.

Mr. Piscitelli told the Board that he appreciated them for all their support.

VI. SUBDIVISION PROJECTS

- A. Ecker Hill Middle School – 0 REs

Mr. Shorkey stated that the applicant has filed a Line Extension Agreement to remove an existing dead end line segment and manhole. Private lateral connections will be rerouted to the existing sewer mainline. No additional sewer mainline is required.

- B. Park City High School – 0 REs

Mr. Shorkey discussed the applicant has filed a Line Extension Agreement to realign portions of existing sewer mainline to facilitate a building expansion. Private lateral connections are being

rerouted to new and existing sewer mainlines. The proposed changes will require impact fees for the expansion and associated water use. The project will yield a net reduction of 175' of sewer mainline and a net addition of 2 manholes.

Mr. Richer made the motion to approve the following Subdivision Projects:

Ecker Hill Middle School – 0 REs

Park City High School – 0 REs

Mr. Pick seconded the motion carried with Mr. Pick, Mr. Richer, Mr. Dickey, Ms. Pack, and Mr. Wilking voting in the affirmative.

C. Painted Valley Pass Extension – 35 REs

D. Links Edge Subdivision - Parcel 10 – 42 REs

E. Golf Club Link Road/ Painted Valley Pass to Brown's Canyon Road
REVISION (Reduction of 42 REs)

Mr. Shorkey told the Board that he will be presenting the next three subdivisions projects together for C., D., and E.

Mr. Shorkey stated the applicant for Painted Valley Pass Extension has filed a Line Extension Agreement to extend wastewater mainlines within the Promontory Development. The proposed project will be served by gravity mainlines, which will connect to previously installed gravity main line.

Mr. Shorkey then presented the Links Edge Subdivision stating that the applicant has filed a Line Extension Agreement to extend wastewater mainlines within the Promontory Development. The proposed project will be served by a low- pressure sewer system, which will connect to the Vista Point development which is soon to be under construction.

And the final project for Golf Club Link Road/Painted Valley Pass to Brown's Canyon Road:

The LEA approved in March 2022 is being revised to remove the LEA "Link's Edge Subdivision - Parcel 10". Link's Edge will proceed as a separate agreement containing 31 single family lots (42 RE's).

This project is necessary to create an additional entry point to the Promontory Development. The applicant has filed a Line Extension Agreement to construct infrastructure beneath the entry road to be put into service later.

The proposed project is comprised by 3 separate line types:

1. Force Main from a future pump station to a future gravity main connection.
2. Two separate gravity mainline systems that will serve the southern portion of the development to connect with the future pump station.
3. Two separate low-pressure systems which will connect to a future low pressure main line system.

Mr. Shorkey mentioned that the sewer is a secondary objective in the project and may not be put into service for some time

Mr. Pick made the motion to approve the following Subdivision Projects:

Painted Valley Pass Extension – 35 REs

Links Edge Subdivision - Parcel 10 – 42 REs

Golf Club Link Road/ Painted Valley Pass to Brown's Canyon Road
REVISION (Reduction of 42 REs)

Ms. Pack seconded the motion carried with Mr. Pick, Mr. Richer, Mr. Dickey, Ms. Pack, and Mr. Wilking voting in the affirmative.

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 35; Total 35

VII. DISTRICT MANAGER

A. Action Items

1. Consider adopting 2023 Tentative Budget & Set Public Hearing for December 12, 2022 @ 6:00 p.m. – Mr. Luers discussed the changes to the 2023 Tentative Budget. He said we have reduced the Impact Fee Revenue from 475 RE's to 325 RE's since we are seeing things slowing down.

**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	\$ 4,526,153

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

* Based on 325 REs, reduced from 475 REs

Mr. Luers said we changed the COLA to 6.5%. Previously it was at 5%-10%

**2023 Tentative Budget
 Noteworthy Items**

Large Projects and Initiatives:

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

Salaries and Wages Increased by CPI: **6.5% (COLA)**
 (Summit County 10.0%, PCMC 10.3%)
 Health Insurance Benefits: 6.4% increase in premium
 (ten year average increase: 4.13%, District provides health insurance at no cost to a family)
 Dental Insurance Benefits: -0.6% increase in premium
 (average three years including 2023, 0.7%)

Staffing:

2022 FTE	42
2023 FTE	45

Mr. Luers reviewed COLA comparisons as follows:

Location	COLA
Summit County	10.0%
Park City Municipal	10.3%
South Valley Water	7.0%
Central Davis Sewer	8.6%
Mt. Olympus Improvement District	7.5%
Jordan Valley Water	8.0%
South Valley Sewer District	5.5%
Central Valley Sewer District	5.0%
Cottonwood Improvement District	5.0%
Taylorville-Bennion Improvement District	8.3%
Timpanogos Special Service District	8.0%
Average	7.6%
SBWRD	6.5%

We believe we have kept up with the cost-of-living expenses for our employees. Mr. Luers said 6.5% is needed to be competitive.

Mr. Pick asked as far as our operators and collection teams are concerned are we sure this increase is competitive. Mr. Luers responded we have kept up with wages and have remained very competitive. He said that in our current times we need to be aggressive in our wages and benefits to keep the well experienced staff we have.

Mr. Luers stated at the last meeting the Board approved a 4% increase in User Fees. He said that may change if costs do not come down and they may need to be increased in 2024.

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	\$3.06	\$3.18	
Base Rate	\$28.28	\$29.13	\$30.00	\$30.90	\$32.14	\$33.43	
Percent Increase	3.0%	3.0%	3.0%	3.0%	4.0%	4.0%	
Proposed User Fees*:							
Volume Charge							\$3.28
Base Rate							\$34.43
Percent Increase							3.0%
Monthly Wastewater Charge	\$40.92	\$42.15	\$43.40	\$44.72	\$46.52	\$48.38	\$48.76
(Based on 4,369 gal./month)							

*Fees have not been approved by the Board

The next item to review is the Impact Fees:

Historical and Proposed Impact Fees

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

* Fees have not been approved by the Board

Mr. Luers said that the Impact Fees are substantial due to the cost of the East Canyon Treatment Facility upgrade.

Other than that, the changes discussed in the Tentative 2023 Budget are as presented last month. Mr. Luers asked the Board to consider adopting the 2023 Tentative Budget and set the Public Hearing for December 12, 2022 @ 6:00 p.m.

Mr. Richer made the motion to adopt the 2023 Tentative Budget & Set Public Hearing for December 12, 2022 @ 6:00 p.m., Mr. Pick seconded the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, Ms. Pack, and Mr. Wilking voting in the affirmative.

A. Consider approval of updating Personnel Manual – Section XIV and XVI – Mr. Steele told the Board that there are a couple of changes we would like to make to the Personnel Policy. The first one stems from a recent Audit completed by Utah Retirement Systems. They recommended that we include in our Personnel Policies some verbiage stating that Tier 2 elected officials and appointed officers are classified as part-time ineligible for state retirement contributions. This is based on State Code requirements.

The second change to the Personnel Policy is a change we are making in January to go from semi-monthly pay periods to bi-weekly pay periods. This change will allow for easier timekeeping and a more consistent payday schedule.

Ms. Pack made the motion to approve updating the Personnel Manual – Section XIV and XVI – Mr. Richer seconded the motion carried with Mr. Pick, Mr. Richer, Mr. Dickey, Ms. Pack and Jan Wilking voting in the affirmative.

B. Discussion Items

1. 2023 Board Meeting Schedule – Mr. Luers reviewed the 2023 Board Meeting Schedule with the Board. Mr. Pick asked if we could change the November Board meeting to November 27, 2023, the week after Thanksgiving. All Board members agreed. The 2023 Board Meeting Schedule will be updated and brought back to the Board in December.

2. Christmas Brunch, December 23, 2022 @ 10:00 a.m. – Mr. Luers invited the Board to attend our Christmas Brunch on December 23, 2022 @ 10 a.m. It will be held at the East Canyon Training Building.

C. Information Items

3. Financial Statement
4. Impact Fee Report

VIII. FUTURE AGENDA ITEMS

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

Ms. Pack asked about the approvals we received from Summit County Council on the East Canyon Upgrade permitting. Mr. Luers stated we got all the approvals that we asked for and now go to the Summit County Planning Commission. We've been informed the earliest we can get on the schedule is in January 2023. We are waiting to hear back from them.

IV. 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, Ms. Pack, and Mr. Wilking voting in the affirmative.



Mary Ann Pack

Mary Ann Pack, Vice Chairman

Kim Dudley

Kim Dudley, Administrative Specialist