

# BOARD OF TRUSTEES MEETING MINUTES

June 26, 2023  
\*\* District Office\*\*  
5:00 p.m.

## I. CALL TO ORDER

The June 26, 2023, Board of Trustees meeting was called to order by Chair Jan Wilking at 5:03 p.m. Other Board members in attendance were Mary Ann Pack, Robert Richer, and Ryan Dickey. Richard Pick was excused. Staff in attendance were Mike Luers, Dan Olson, Chad Burrell, Kevin Berkley, Bryan Steele, Cory Shorkey, and Kim Dudley. Also, in attendance were Jeremy Cook, Cohne/Kinghorn, Craig Ashcroft, Carollo Engineers, Dean Berrett, Prospector Square Property Association, and Amy Davies, Child Richards CPAs and Advisors.

## II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for May 15, 2023
- B. Escrow Fund Reduction Approval – Lilac Hill East – Retain 0 percent

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

## III. PUBLIC INPUT – There was no public input.

**IV. APPROVAL OF EXPENDITURES** – Bills in the Amount of \$1,700,439.75 – Mr. Luers stated the expenditures were in the amount of \$1,700,439.75 with a significant amount going to Carollo for engineering fees for the East Canyon project. Mr. Luers asked the Board to consider approving the Expenditures.

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

## V. SUBDIVISION PROJECTS

A. Prospector Square Property Owners Association – Parking Lot E – 0 Additional REs  
The applicant has filed a Line Extension Agreement to extend wastewater main lines to replace existing private main lines that do not meet SBWRD standards. The new main lines will tie into the SBWRD gravity system.

Staff recommends approval.

Ms. Pack made the motion to approve the Subdivision Projects Prospector Square Property Owners Association – Parking Lot E – 0 Additional REs, Mr. Dickey seconded the motion carried with Ms. Pack, Mr. Richer, Mr. Dickey, and Mr. Wilking voting in the affirmative. Mr. Richer and Mr. Wilking disclosed they are owners of property and members of the Prospector Square Property Owners Association.

B. Parley's Park Elementary School Addition 5.68 Additional REs  
The applicant has filed a Line Extension Agreement to add a building addition over the top of, and adjacent to, existing sewer lines. The line to be abandoned will be rerouted outside of the building footprint plus easement setbacks. Roughly 575' of 10" concrete sewer mainline and two sewer manholes will be removed/abandoned as a result of the project, with one new sewer manhole being installed.

Staff recommends approval.

Mr. Richer made the motion to approve the Subdivision Projects Parley's Park Elementary School Addition 5.68 Additional REs, Mr. Dickey seconded the motion carried with Ms. Pack, Mr. Richer, Mr. Dickey, and Mr. Wilking voting in the affirmative.



Estimated LEA REs Year to Date: # Above Splitter 0; # ECWRF 0; # SCWRF 67; Total 67  
Proposed this Meeting: # Above Splitter 0; # ECWRF 5.68; # SCWRF 0; Total 5.68

## VI. DISTRICT MANAGER

### A. Action Items

#### 1. Election Interlocal Cooperation Agreement between Summit County Clerk's Office and

Snyderville Basin Water Reclamation District – Due to the election Summit County is asking for an Interlocal Cooperation Agreement to be signed. The cost associated with them conducting the election depends on how many others are participating. We are the only District participating with one candidate filing for Mr. Richer's position and the cost is a little over \$30,000.

Mr. Richer discussed having a candidate run for his position, saying that he is concerned about the \$30,000 fee the District will have to pay. He said he doesn't mind that he will have to run for his seat but is concerned if the other candidate is truly interested in serving as a Board member. The candidate is not here for the board meeting and that concerns him. Mr. Richer stated he loves his position and to be associated with the District because it's just a fine organization. He said he is willing to have a coin toss to avoid paying the fee for the election. Mr. Wilking stated he is not comfortable with a coin toss and believes Mr. Richer's service is invaluable, and we should proceed with the election. Mr. Cook said he would not be in favor of a coin toss and he's not sure it's legal.

Ms. Pack asked if the cost could vary. Mr. Luers replied that it could change depending on how many votes and if more items were to be put on the ballot.

Mr. Dickey commented that maybe reaching out to the other candidate asking him since we haven't seen you at meetings is there a particular issue that you feel is not being represented. And inform him that it is going to cost \$30,000. Is there a way we can bring visibility to any issues that you have without having an election. Mr. Richer stated that he is nervous about anything that smacks anti-democracy and appreciates the comment and will think it over.

Mr. Luers said he doesn't believe the other candidate is aware of the cost of the election.

Mr. Luers asked the Board to consider approving the Election Interlocal Cooperation Agreement between Summit County Clerk's Office and Snyderville Basin Water Reclamation District.

Mr. Richer made the motion to approve the Election Interlocal Cooperation Agreement between Summit County Clerk's Office and Snyderville Basin Water Reclamation District, Mr. Dickey seconded the motion carried with Ms. Pack, Mr. Richer, Mr. Dickey, and Mr. Wilking voting in the affirmative.

2. 2022 – Financial Audit – Amy Davies and Ryan Child, Child Richards CPAs and Advisors – Mr. Luers introduced Ms. Davies with Ryan Child, Childs Richards CPAs to review the 2022 Financial Audit. Ms. Davies thanked the District for having her here tonight. She started the review of the audit with the financial statement stating that the numbers are the final numbers and will be incorporated into the audit. Some highlights included 2022 assets compared to 2021. Total assets are \$212 million as compared to 2021 the total assets increased approximately \$8.9 million. The non-deappreciable capital assets increased \$2 million, and the construction in progress increased \$3.8 million. There is also an increase in the net pension asset of \$1.8 million. This figure is given by the Utah State Retirement System.

Mr. Wilking asked why the net pension asset was included in this year's financial and not last year. Ms. Davies stated that it is a calculation that the Utah State Retirement System does every year. Last year the calculation was zero.

Ms. Davies continued with reviewing the liabilities and deferred inflows at \$20 million. This increased around \$64,000 from 2021. Bonds payable decreased by approximately \$1 million. An increase in



accounts payable of \$238,000 which fluctuates from year to year. And a decrease in customer deposits of \$269,000. The liabilities are comparable to 2021, leaving the total net position at \$191 million for the year.

Out of that net position there is \$8.5 million restricted for impact fees and the unrestricted portion is \$16.4 million.

Ms. Davies reviewed the statement of revenue expenses and changes in fund net position. Operating revenues came in at \$13 million compared to \$12.2 million from the prior year. Operating expenses came in at \$11.7 million, which increased \$2 million from the prior year. Net operating income is \$1.3 million that decreased \$1.1 million. The total change in net position is \$8.9 million and we add that to the net position at the beginning of the year and the total net position is \$191 million at year end.

Ms. Davies reported on the cash flows of \$846,000 in cash from Operating activities. Cash from investing, mainly from interest, is \$461,000. And cash outflow for capital is \$387,000. Net increase or decrease for cash was \$920,000. Banking cash balance is \$24.9 million at year end.

Ms. Davies gave the recommendations to the Board. The first recommendation on the fraud assessment had a glitch where it was filled out and sent to the state auditors but was not presented to the Board for discussion. We recommend that this item be discussed with the board and documented in the minutes every year. The second recommendation is the consolidated fee schedule. Currently the consolidated fee schedule includes the user fee rates per RE and volume charge but applying these calculations vary by billing type. For example, mixed use, industrial, commercial, multi, and single family. We recommend that they be included in the consolidated fee schedule or refer to a rate resolution for details. The third item is related to fixed asset disposal. The District has a policy requiring a disposal form to be filled out when the capital asset is surplus or scrapped. We were unable to locate one form on a Ford F150 truck and recommend the District make sure to follow policy and provide a paper trail. The fourth recommendation is an independent review of final payroll disbursements compared to approved payroll disbursements being performed. The District does a good job in the following of the approval process and the board also reviews the final payroll expenses. We want to implement a second control to make sure that the payroll disbursements that go out are approved by the managers since they go back and forth between the Finance Manager and Assistant Finance manager having the Finance Manager do a final check that those were the numbers that were approved. That will tighten it down and give it an extra level of control. Ms. Davies said she doesn't believe that this is included but a good indication of how the Finance Manager is running things is by the journal entries. There were few journal entries like last year. All in all, the financials are in good shape. We appreciate Mr. Steele's help in getting to this point and the Board plays a key role in making sure controls are implemented.

Ms. Davies said that's all she has for tonight and thanked the Board. She asked if there were any questions.

Mr. Luers asked the Board to consider approving 2022 Financial Audit.

Ms. Pack made the motion to approve the 2022 – Financial Audit, Mr. Richer seconded the motion carried with Ms. Pack, Mr. Richer, Mr. Dickey, and Mr. Wilking voting in the affirmative.

B. Information Items

1. Financial Statement
2. Impact Fee Report – Mr. Luers said the Impact Fee revenues have been very consistent right around 35 RE's per month. He said it's okay but not great. We'd like to see more and pointed that out.
3. PEHP LGRP Refund – Mr. Luers told the Board that we received a PEHP LGRP

Refund in the amount of \$10,493.00. When we under utilize our estimated usage of insurance we receive a check. Kudos to the staff.

4. 50-year SBWRD Celebration – September 25, 2023 – Mr. Luers said that this year is the 50<sup>th</sup> year anniversary of the District. We are holding a Board Workshop on September 25, 2023, and would like to ask the Board if they would like to do some kind of celebration.

After discussing it was decided to do a PR event and have a celebration held at the East Canyon Water Treatment Plant.

**VII. FUTURE AGENDA ITEMS**

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

Mr. Richer made the motion to adjourn to Closed Session @ 5:44 p.m., Ms. Pack seconded the motion carried with Mr. Dickey, Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.

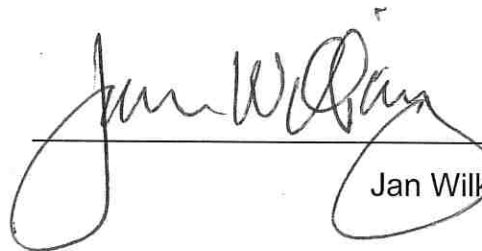
**VIII. CLOSED SESSION – Discuss pending or reasonable imminent litigation**

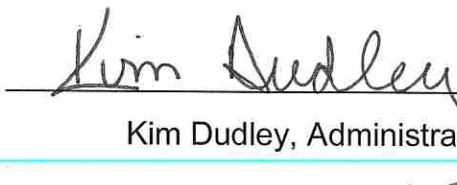
Mr. Richer made the motion to reconvene to Open Session @ 6:33 p.m., Ms. Pack seconded the motion carried with Mr. Dickey, Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.

**IV. ADJOURN**

Mr. Richer made the motion to adjourn at 6:34 p.m., Mr. Dickey seconded the motion carried with Mr. Richer, Ms. Pack, and Mr. Wilking voting in the affirmative.



  
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Jan Wilking, Chairman

  
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Kim Dudley, Administrative Specialist