

BOARD OF TRUSTEES MEETING MINUTES

May 20, 2024
** District Office**
5:00 p.m.

I. CALL TO ORDER

The May 20, 2024, Board of Trustees meeting was called to order by Vice Chair Mary Ann Pack at 5:00 p.m. Other Board members in attendance were Robert Richer, Richard Pick, and Ryan Dickey. Jan Wilking was excused. Staff in attendance were Mike Luers, Kevin Berkley, Dan Olson, Chad Burrell, Bryan Steele, Gary Tackman, Cory Shorkey, and Dave Garritson. Also, in attendance were Jeremy Cook, Cohne and Kinghorn, Amy Davies and Ryan Child, Child Richards CPAs and Advisors, and Erin Andersen, Carollo Engineers.

II. CONSENT AGENDA

- A. Approval of Board Meeting Minutes for April 15, 2024
- B. Escrow Fund Reduction Approval
 - 1. Altitude Lofts – Retain 10%
 - 2. Vista Point at Promontory – Retain 10%
- C. Final Project Approval
 - 1. Altitude Lofts
 - 2. Vista Point at Promontory

Mr. Richer made the motion to approve the Consent Agenda excluding B.2 and C.2., Mr. Pick seconded, and the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.

III. PUBLIC INPUT – There was no public input.

IV. APPROVAL OF EXPENDITURES – Bills in the Amount of \$1,431,598.59 – Mr. Luers reviewed the Expenditures saying that there is a check to Park City for \$100,000, we purchased UV Equipment for approximately \$250,000 for the ECWRF Project, and a couple truck purchases.

Mr. Pick asked if we are installing the UV Equipment now and Mr. Luers said yes, we are paying a contractor to install it.

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

V. SUBDIVISION PROJECTS

- A. Last Chance Subdivision Phase 1 – 10.33 REs

The applicant has filed a Line Extension Agreement to extend wastewater main lines above the Colony Development. This is the first of a two-phase subdivision. The proposed project will be served by a gravity system running within the road and within the ski run. This development has been expected for some time and gravity service has been extended to an accessible location.

Mr. Pick asked if we guess at the RE's since we aren't sure how big the houses are. Mr. Shorkey replied to a certain degree yes, we are giving the best estimate with the information provided by the Developer.

Mr. Richer made the motion to approve the Subdivision Project Last Chance Subdivision Phase 1 – 10.33 REs, Mr. Pick seconded, and the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.

B. Last Chance Subdivision Phase 2 – 18.66 REs

The applicant has filed a Line Extension Agreement to extend wastewater main lines above the Colony Development. This is the second of a two-phase subdivision. The proposed project will be served by a gravity system running within the road. This development has been expected for some time and gravity service has been extended to an accessible location.

Mr. Richer made the motion to approve the Subdivision Project Last Chance Subdivision Phase 2 – 18.66 REs, Mr. Pick seconded, and the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.

C. Snow Park Village – 206 REs

Snow Park Village was presented back in 2021, and LEA has since expired. This is a new LEA with the anticipated development of the Snow Park Village, a sewer mainline will be required along Deer Valley Drive South. This line will serve a portion of the proposed Snow Park Village along with the Trails End at Deer Valley and La Macornnerie Subdivisions.

A future Line Extension Agreement will address the relocation of the wastewater system near the southeast portion of the project.

Note that the approximate RE count listed above encompasses the entire Snow Park Village Development and not just those portions that will connect to the new wastewater line. Details on proposed buildings are not currently available.

Mr. Dickey made the motion to approve the Subdivision Project Snow Park Village – 206 REs, Mr. Richer seconded, and the motion and carried with Mr. Pick, Mr. Dickey, Mr. Richer and Ms. Pack voting in the affirmative.

**Estimated LEA REs Year to Date: # Above Splitter 4; # ECWRF 60; # SCWRF 74.7; Total 138.7
Proposed this Meeting: # Above Splitter 0; # ECWRF 29; # SCWRF 0; Total 235**

VI. DISTRICT MANAGER

A. Action Items – 2023 – Financial Audit – Amy Davies and Ryan Child, Child Richards CPAs and Advisors – Mr. Luers introduced Ms. Davies and Mr. Child with Childs Richards CPAs to review the 2023 Financial Audit. Ms. Davies started the review of the audit with the financial statement stating that we have issued a clean opinion which means that all the material is presented fairly, in all material respects as of December 31, 2023, and December 31, 2022.

Ms. Davies showed the Total Assets and Deferred Outflow for 2023 at \$218,083,063 and 2022 at \$212,234,165. This was an increase of \$5.8 million from the prior year.

Ms. Davies gave a brief overview of the audit to show where we stood at year end.

Total Liabilities and Deferred Inflows for 2023 at \$17,759,371 and 2022 at \$20,357,907. This was a decrease of \$2.5 million over the prior year.

Total Net Position at \$200,323,692 for 2023 and 2022 at \$191,876,258.

Total Operating Revenues at \$13,688,308 for 2023 and 2022 at \$13,091,290. An increase of approximately \$500,000.

Total Operating Expense at \$14,972,800 for 2023 and 2022 at \$11,748,243. An increase of approximately \$3.2 million. That is a Net Operating Loss for 2023 of \$1,284,492 whereas of 2022 there was a net gain of \$1,343,047.

Total Non-Operating Revenues at \$8,181,371 for 2023 and 2022 at \$5,700,475. The change in Net Position was \$8,447,434, which brought the Net Position at the End of the Year to \$200,323,692.

Total Net increase in Cash Flow was \$1,815,089 leaving it at \$24,967,039 with \$10,884,178 restricted.

Ms. Davies gave the Board recommendations. The only recommendation was training on the Open and Public Meetings Act. There was a scheduling conflict in 2023 for the training and they wanted to remind us to get that complete.

Ms. Davies gave a shout out to Mr. Steele for taking good care of the books, maintaining good fiscal reporting with high standards and being extremely helpful and responsive to the audit request. Ms. Davies also said they appreciate the Board for their help.

Mr. Luers and the Board thanked Ms. Davies and Mr. Child for a very good report.

Mr. Luers said that Mr. Steele and his staff put this together and we appreciate their efforts.

Mr. Steele thanked Ms. Davies and said he appreciates all she does as well.

Mr. Child also thanked everyone and said the audit came together very well.

Mr. Pick made the motion to approve the 2023 – Financial Audit, Mr. Dickey seconded, and the motion carried with Mr. Pick, Mr. Richer, Mr. Dickey, and Ms. Pack voting in the affirmative.

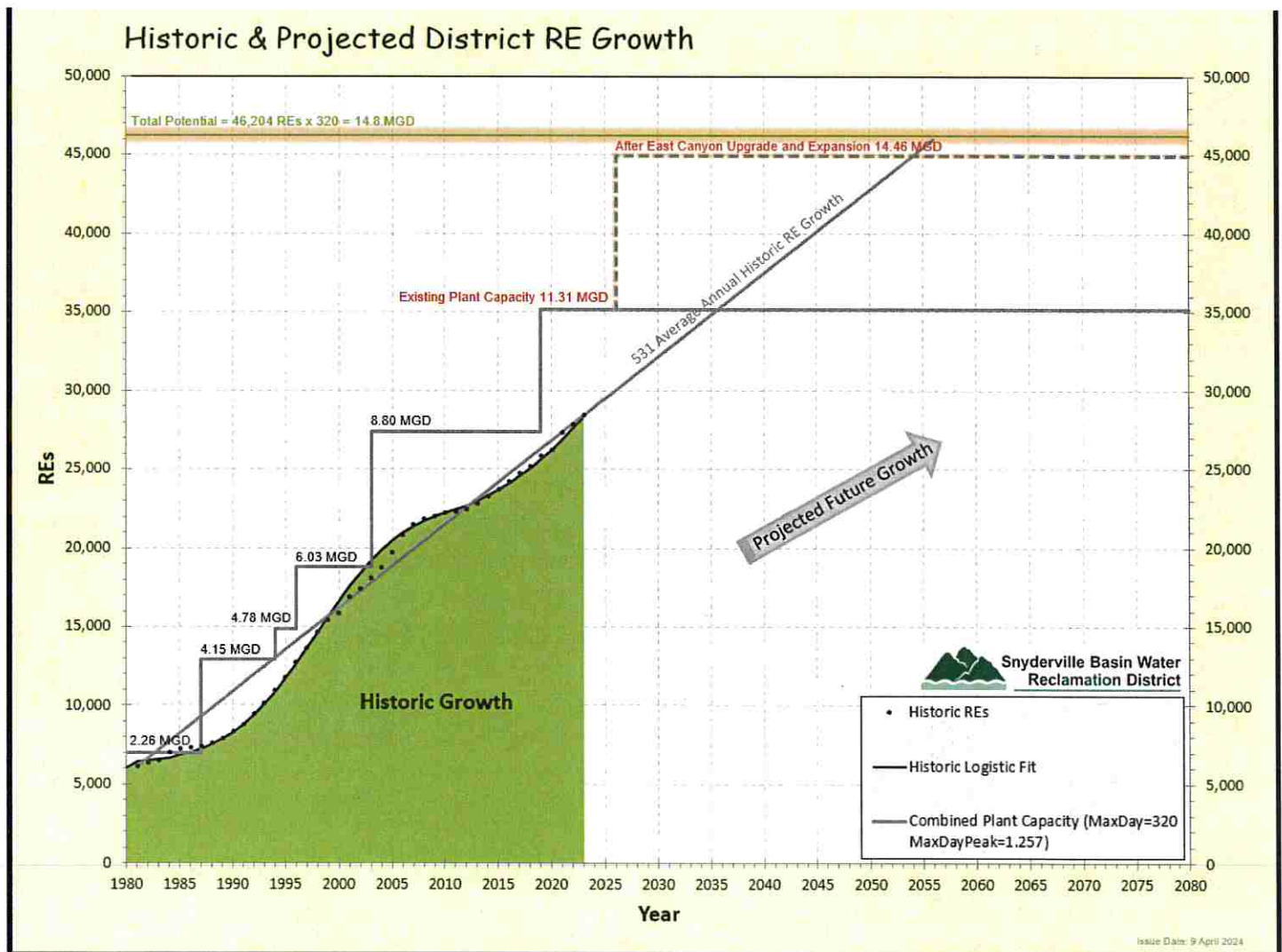
B. Discussion Items – Growth Projections Presentation – Mr. Luers discussed growth related issues for the District.

Before the discussion Mr. Luers said that Mr. Tackman is retiring at the end of the month and is the brains behind a lot of the information provided. He said that Mr. Garrison who is replacing Mr. Tackman has been working side by side with him for 6 months to learn all he can.

Mr. Luers said on behalf of the District and the Board that Mr. Tackman has been a tremendous asset, and we really appreciate it.

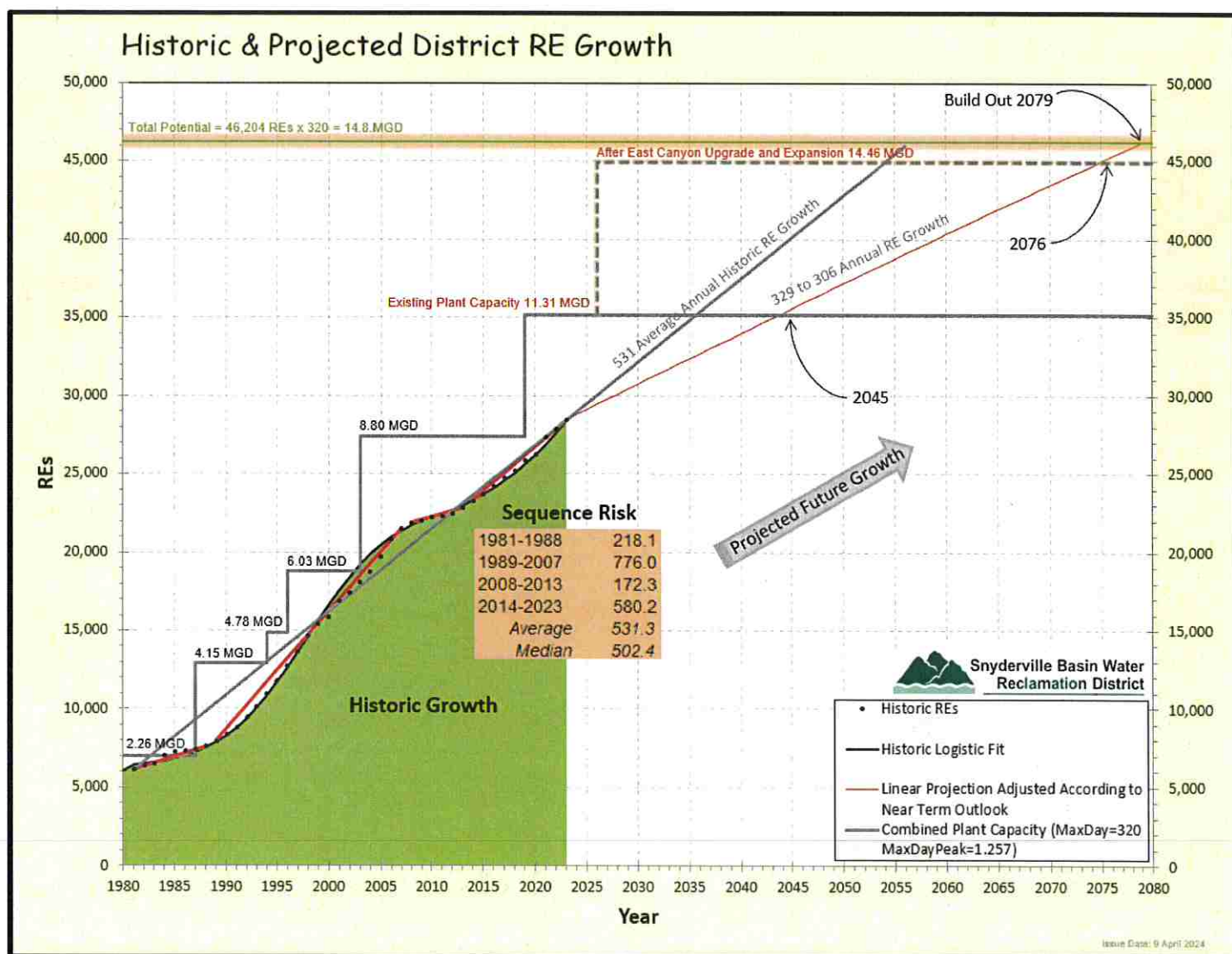
Continuing with the discussion. The graph shown below is being used in our updated Impact Fee Analysis.

Looking at the historical data which is in the green section going back to 1980 the growth has been an average of 531 RE's per year.



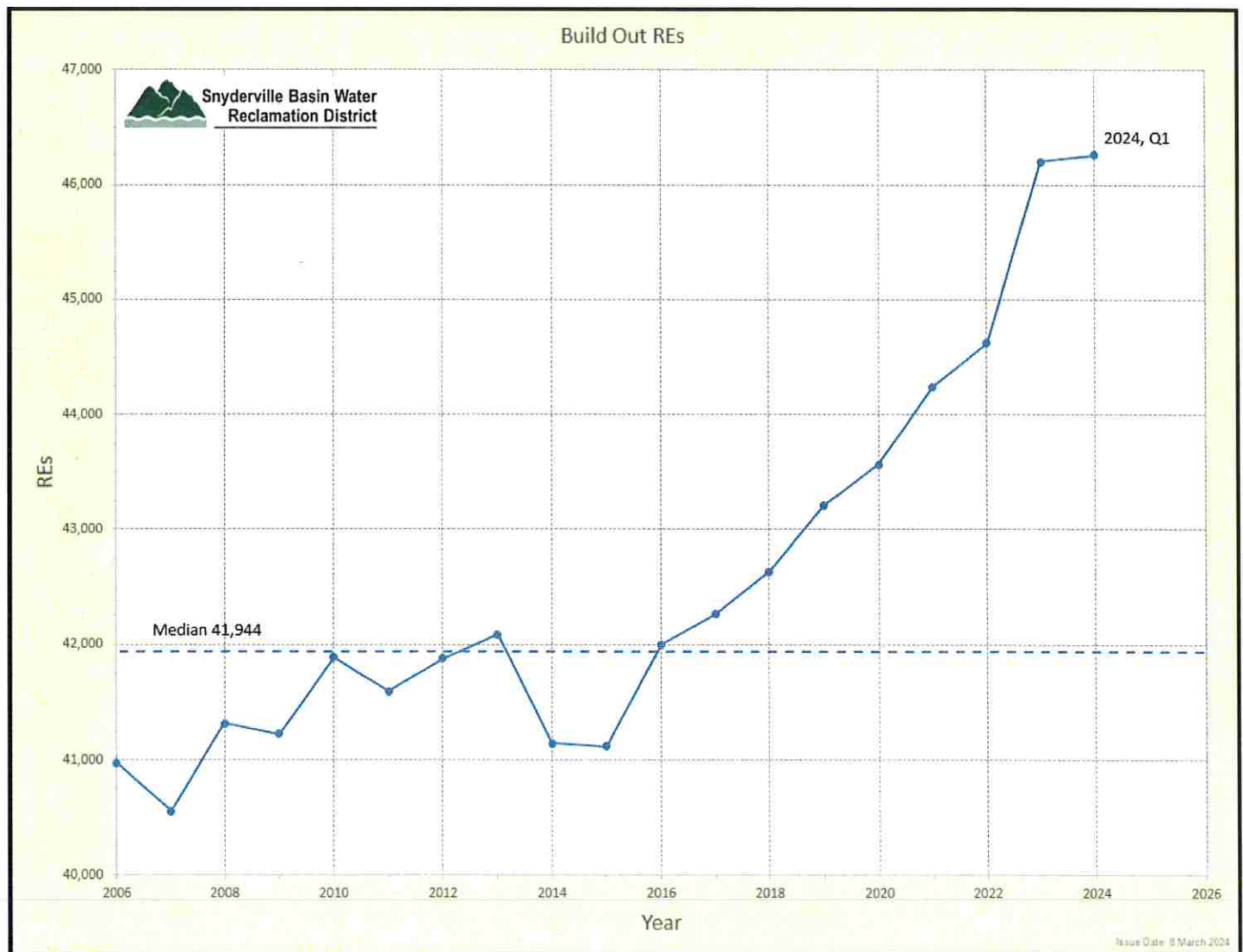
In the graph below we are projecting a conservative number of RE's, not wanting to overstate what is likely to happen, by showing 329 RE's per year. We will have some years less than that.

In the Sequence Risk section showing more data, it shows the breakdown of totals from 1981 to 2023.



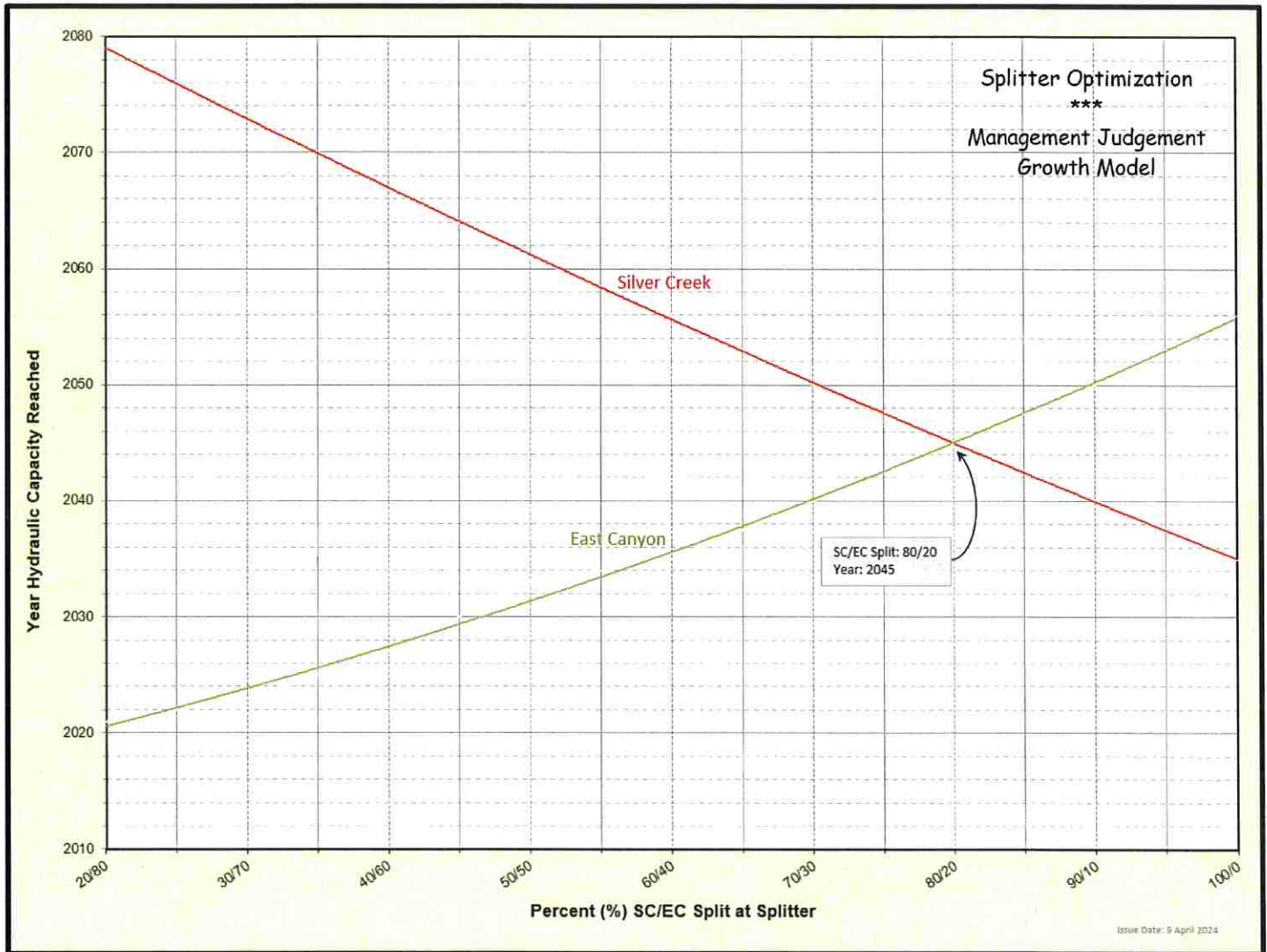
Mr. Luers said he's very leery about the financial risk to the District if we project high numbers of RE's and the growth doesn't happen.

Interesting enough, as shown below, we rocked along for quite some time between 41,000 and 42,000 buildout RE's and within the last 10 years we have had about a 10% increase in buildout RE's. We went from 42,000 to a little more than 46,000.



The graph below shows Splitter settings over a period of years. As an example, if we set our Splitter at 50/50 and we look at our East Canyon capacity by drawing a line from 50/50 to 2031, we run out of capacity in 2031 based on the growth projections we just discussed. What this means is

we would have to have the East Canyon Expansion operational by 2031. Based on the growth projection discussed, we have a couple of years before we must get that project started. We have some flexibility waiting on interest rates and the economy.



If we were to set the splitter at 60/40 that would give us until 2035 to have the East Canyon Expansion complete.

Mr. Luers asked the Board for comments on if they'd like to pursue the 329 RE's per year.

After the Board discussed the numbers, they determined that they are comfortable with the projected growth numbers.

- C. Information Items
 - 1. Financial Statement
 - 2. Impact Fee Report

Mr. Richer made the motion to adjourn to Closed Session at 5:41 p.m., Mr. Pick seconded, and the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.

VII. CLOSED SESSION – Consider a motion to enter into a closed session for purposes allowed under the Open and Public Meetings Act (Utah Code § 52-4-205) for pending litigation.

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

VIII. FUTURE AGENDA ITEMS

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

IV. ADJOURN

Mr. Pick made the motion to Adjourn at 6:03 p.m., Mr. Richer seconded, and the motion carried with Mr. Dickey, Mr. Richer, Mr. Pick, and Ms. Pack voting in the affirmative.



Jan Wilking, Chairman

Kim Dudley, Administrative Specialist
District Clerk