

Metropolitan Water District of Salt Lake & Sandy  
Board Packet Information  
Last Update: January 23, 2008 by Michael L. Wilson

**Agenda Item:** January 28, 2008 Owner Controlled Insurance Program (OCIP) Letter of Credit

**Objective:** Update the authorization for the General Manager and Controller to act on behalf of the district for the OCIP Letter of Credit from Zions Bank.

**Background:** District resolution 1760 dated April 19, 2004 authorized John Robert Carman as General Manager and W. Reed Jensen as Controller to act on behalf of the district regarding the described letter of credit. Zions Bank has requested that we update the authorization for the duration of the term of letter of credit. The exact duration is not known at this time but OCIP activities will diminish as administrative activities related to the Metro Water Project are closed out and finalized.

**Recommendation:** Staff recommends that the board approve the resolution.

**METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY**

**RESOLUTION NO. 1812**

**WHEREAS** The Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy has previously determined that it is in the interests of this District and the public that this District enter into agreements for an Owner Controlled Insurance Program ("OCIP"), providing certain workers' compensation and liability coverage for certain District capital improvement projects. The OCIP insurer, Liberty Mutual, requires as a condition of issuing the OCIP policies that this District obtain a Letter of Credit in the amount of \$515,000 to assure the payment to Liberty Mutual of deductibles and other expenditures which are made by Liberty Mutual on behalf of this District, and which under the terms of the insurance contracts must be repaid by this District to Liberty Mutual. Zions First National Bank ("Zions Bank") has expressed a willingness to provide an appropriate Letter of Credit, secured by District funds deposited with Zions Bank in a certificate of deposit. Zions Bank requires this Resolution authorizing certain employees of this District to execute the agreements and other documents necessary for Zions Bank to issue the Letter of Credit.

**NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY RESOLVED** that the two district employees named below are authorized by this District to execute all agreements and other documents on behalf of this District as may be necessary for the issuance of a Letter of Credit by Zions Bank and to provide District owned collateral therefore to satisfy the requirements of Liberty Mutual:

- |                      |                           |
|----------------------|---------------------------|
| 1) Michael L. Wilson | General Manager/Treasurer |
| 2) Josh DeBry        | Controller                |

**RESOLVED FURTHER**, when both of the above named employees sign any instrument of writing relating to the issuance of the described Letter of Credit, or the security for the same, the instrument shall be deemed to have been properly executed for and on behalf of this District.

**RESOLVED FURTHER**, that the two above named employees are directed and empowered to perform all other related acts and execute and deliver all other instruments or contracts, as may be required for the issuance of the described Letter of Credit.

**RESOLVED FURTHER**, that the foregoing powers and authority will continue until written notice of revocation has been received by Zions Bank.

This RESOLUTION adopted by a vote of the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy on the 28<sup>th</sup> day of January, 2008

Patricia Comarell	Tom Godfrey	Lee Kapaloski
John S. Kirkham	Kathy Loveless	Don Milne
Leland J. Myers		