

MONDAY, APRIL 20, 2009

Minutes of the 729th meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, April 20, 2009 began at 3:30 p.m. in the District's Board Room located at 3430 East Danish Road, Cottonwood Heights, Utah 84093.

The following Trustees were present:

Leland J. Myers	-Chair
John S. Kirkham	-Vice Chair
Lee Kapaloski	-Secretary
Donald Y. Milne	-Trustee
Tom Godfrey	-Trustee
Kathy W. Loveless	-Trustee
David L. Buhler	-Trustee

Also present:

Michael Wilson, General Manager
Michael DeVries, Assistant General Manager/IS Manager
Josh DeBry, Controller
Steve Stocking, Operations & Maintenance Manager
Steve Slack, Assistant Operations & Maintenance Manager
Cláudia Wheeler, Environmental Services Manager
Wayne Winsor, Engineering Manager
Annalee Munsey, Executive Assistant/HR Officer
Ammon Allen, Project Engineer
Shawn Draney, Snow, Christensen & Martineau
Tom Ward, Salt Lake City Public Utilities
Shane Pace, Sandy City Public Utilities
Scott Robertson, Lewis Young Robertson & Burningham, Inc.
Jason Burningham, Lewis Young Robertson & Burningham, Inc.
Alan Packard, Jordan Valley Water Conservancy District
Christine Finlinson, Central Utah Water Conservancy District
Mike Marchant, Brown & Caldwell
Mike Zuhl, R&R Partners
Randy Sant, Sandy City
Jim Matsumori, George K. Baum
Richard Scott, Chapman & Cutler
Jason Luettinger, Bowen Collins & Associates

Work Session Agenda

1. Discuss Salt Lake Aqueduct Inventory Project and related actions
2. Discuss District strategy related to Local District Taxing Authority (2009 General Session Senate Bill 135)
3. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. Consider approval of Resolution 1825 authorizing the issuance and confirming the sale of up to \$30 million of water revenue bonds; authorizing the execution and delivery of certain agreements relating to the bonds; and related matters.

4. Consider approval of Resolution 1826 approving an Interlocal Agreement between the Metropolitan Water District of Salt Lake & Sandy and the Sandy City Redevelopment Agency (the "RDA") which diverts certain tax increment funds to the RDA to fund the 9400 South Community Development Project Area Plan, and authorizes the Board Chair to sign the interlocal agreement in its substantially final form.
5. Consider approval of Fiscal Year 2010 Tentative Budget
6. Consider approval of Resolution 1827 approving the Interlocal Agreement for Governor's Water Conservation Team Media Campaign
7. Engineering Committee
8. Finance Committee
 - a. Review of check register
 - b. Review of insurance matters
9. Conservation Committee
10. Consider acceptance of financial reports
11. Consider approval of Board Meeting Minutes dated March 16, 2009
12. Reporting/Scheduling items
13. Other Business
14. Items to be discussed at the next meeting
15. Closed session to discuss pending or imminent litigation and/or purchase, exchange, or lease of real property.
16. Adjournment

Work Session Agenda

Discuss Salt Lake Aqueduct Inventory Project and related actions

Mr. Winsor presented to the Board the findings from the study conducted by the Engineering Department. Engineering staff completed an inventory of the encroachments along the Salt Lake Aqueduct and identified over 4,000 encroachments. Fourteen percent of the encroachments are authorized and 86 percent are unauthorized. The staff identified over 1,000 encroachments or 31 percent of the unauthorized encroachments as unacceptable. Staff proposed to the Board a decision flowchart which outlines the process for notifying homeowners of encroachments and obtaining an agreement. Staff also recommended a public relations plan that would involve speaking with the city councils, holding open houses, and distributing communication pieces to the homeowners along the easement.

The Board recommended a discussion in the next work session to address the 1890 Act policy, fee title, easement policy, and the fee schedule.

Discuss District strategy related to Local District Taxing Authority (2009 General Session Senate Bill 135)

Mr. Wilson addressed the need to develop a strategy related to Local District Taxing Authority (Senate Bill 135). A meeting was held with other metropolitan water districts to discuss the potential impact of Senate Bill 135. The other water districts do not have as much interest in the bill as the Metropolitan Water District of Salt Lake & Sandy. The Utah Association of Special Districts is involved in the discussions related to this bill.

Mr. Kirkham moved to delegate to the Executive Committee the coordination related to Local District Taxing Authority (Senate Bill 135); Mr. Milne seconded the motion and the motion passed unanimously.

Other

No other business was discussed.

Board Meeting Agenda

Call to order

At 4:53 p.m. the Vice Chair called the meeting to order and welcomed board members, staff and guests.

Public comment

No public comment was made.

Consider approval of Resolution 1825 authorizing the issuance and confirming the sale of up to \$30 million of water revenue bonds; authorizing the execution and delivery of certain agreements relating to the bonds; and related matters.

Mr. Scott Robertson provided a status report on the water revenue bonds. Ambac was downgraded by Moody's to below investment grade which could impact the discount on the termination value.

Mr. Kirkham motioned to approve Resolution 1825 authorizing the issuance and confirming the sale of up to \$29,500,000 of water revenue refunding bonds identified as series 2009 B-5; authorizing the execution and delivery of certain agreements relating to the bonds; and related matters; Mr. Buhler seconded the motion, and the motion carried unanimously upon roll call:

Mr. Myers	-aye
Mr. Kirkham	-aye
Mr. Kapaloski	-aye
Mr. Buhler	-aye
Mr. Godfrey	-aye
Ms. Loveless	-aye
Mr. Milne	-aye

Consider approval of Resolution 1826 approving an Interlocal Agreement between the Metropolitan Water District of Salt Lake & Sandy and the Sandy City Redevelopment Agency (the "RDA") which diverts certain tax increment funds to the RDA to fund the 9400 South Community Development Project Area Plan, and authorizes the Board Chair to sign the interlocal agreement in its substantially final form.

Mr. Randy Sant from Sandy City presented to the Board an overview of the 9400 South Community Development Project Area plan. Sandy City has requested the District to participate in the funding for the \$10 million tax increment bond. The District was asked to participate by funding \$36,000 per year for 20 years. The Board had questions regarding the Community Development Area (CDA) funding as well as the timing that the CDA was presented to the District. Considerable discussion ensued. Mr. Buhler and Mr. Godfrey both indicated support for creating a policy for reviewing and approving CDAs. Ms. Loveless wanted the record to reflect that she generally supports these types of requests coming to the District for consideration; however, the requests should be submitted timely and not post facto.

Mr. Kirkham motioned to consider support of the proposed action or any financial participation; Mr. Milne seconded the motion. The motion failed on a vote of 3 in favor and 4 against with individual Trustee votes as follows:

Mr. Myers	-aye
Mr. Kirkham	-aye
Mr. Kapaloski	-nay
Mr. Buhler	-nay
Mr. Godfrey	-nay
Ms. Loveless	-nay
Mr. Milne	-aye

Resolution 1826 was not considered for action.

Consider approval of Fiscal Year 2010 Tentative Budget

Mr. DeBry presented to the Board the Fiscal Year 2010 tentative budget, specifically any changes since last month's board meeting. The Board discussed the proposed salary increase in

the budget and the District's relationship with Sandy City and Salt Lake City. A risk management evaluation has been added to the budget.

Mr. Wilson presented a proposed fee schedule which was created after a request from the member cities to incentivize them to purchase more water from the District during the off-peak seasons. The proposed fee schedule also includes a water conveyance fee.

Mr. Godfrey moved to approve the Fiscal Year 2010 Tentative Budget; Ms. Loveless seconded the motion and it carried unanimously. Mr. Myers was not present for the vote.

Consider approval of Resolution 1827 approving the Interlocal Agreement for Governor's Water Conservation Team Media Campaign

Mr. Kapaloski provided the Board with an update on the Interlocal Agreement which was developed with input from the Conservation Committee.

Mr. Milne motioned to approve Resolution 1827 approving the Interlocal Agreement for Governor's Water Conservation Team Media Campaign, with minor editing changes; Mr. Kapaloski seconded the motion, and the motion passed unanimously upon roll call:

Mr. Buhler	-aye
Mr. Godfrey	-aye
Mr. Kapaloski	-aye
Mr. Kirkham	-aye
Ms. Loveless	-aye
Mr. Milne	-aye
Mr. Myers	-aye

Engineering Committee

Mr. Milne provided an update on the Engineering Committee meeting. The committee reviewed the authorized and unauthorized encroachments detailed in the Salt Lake Aqueduct Inventory report. The committee recommended the inventory report be brought to the Board for discussion.

Finance Committee

Mr. Kirkham reported that the Finance Committee was provided with the quarterly visa and check register. The Finance Committee met with Moreton & Co and reviewed the current insurance coverage and other related insurance matters.

Conservation Committee

The District is sponsoring two events during Water Week.

Consider acceptance of financial reports

Mr. Godfrey moved to accept the February 2009 financial reports; Mr. Buhler seconded the motion, and the motion passed unanimously.

Consider approval of Board Meeting Minutes dated March 16, 2009

Mr. Milne moved to approve the Board Meeting Minutes dated March 16, 2009; Ms. Loveless seconded the motion and it carried unanimously.

Reporting/Scheduling items

Mr. Wilson reported that the Provo River Canal Enclosure Project will not receive any federal stimulus money. The discussions with Jordan Valley Water Conservancy District and Central Utah Water Conservancy District are ongoing.

Other Business

No other business was discussed.

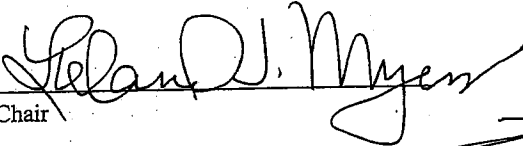
Closed session to discuss pending or imminent litigation and/or purchase, exchange, or lease of real property.

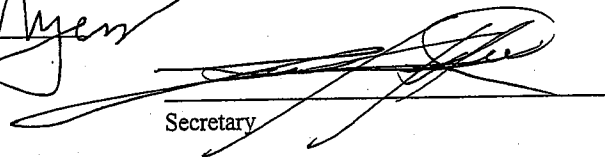
Legal counsel deemed it necessary to go into closed session for the purpose of pending or imminent litigation and or purchase, exchange, or lease of real property. Mr. Milne moved to go into closed session; Mr. Kapaloski seconded the motion and the motion carried unanimously. Staff and guests were excused. All board members, except Mr. Myers, were present. Mr. Wilson, Mr. DeVries, Mr. Draney, Ms. Munsey, Mr. DeBry, and Mr. Winsor also attended the closed session.

Ms. Loveless moved to go out of closed session; Mr. Buhler seconded the motion and the motion passed unanimously.

Adjournment

At 6:57 p.m. Mr. Godfrey moved to adjourn the meeting; Mr. Kapaloski seconded the motion, and it passed unanimously.


Chair


Secretary