

MONDAY, OCTOBER 15, 2018

Minutes of the 827th meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, October 15, 2018 began at 4:30 p.m. in the District's Board Room located at 3430 East Danish Road, Cottonwood Heights, Utah 84093.

The following trustees were present:

Tom Godfrey	-Chair
Donald Y. Milne	-Vice Chair
Patricia Comarell	-Secretary
Cindy Cromer	-Trustee
Joan Degiorgio	-Trustee
Arthur D. Hunter	-Trustee
John H. Mabey, Jr.	-Trustee

Also present:

Annalee Munsey, Assistant General Manager
Wayne Winsor, Assistant General Manager/Engineering & Maintenance Manager
Nathan Scown, Assistant Operations Manager
Blake Bowles, Executive Assistant
Matt Tietje, Operations Manager
Ryan Nicholes, Information Services Manager
Ammon Allen, Engineering Supervisor
Steve Slack, Engineer I
Shawn Draney, Snow Christensen & Martineau
Jesse Stewart, Salt Lake City Public Utilities
Keith Denos, Provo River Water Users Association
Alan Packard, Jordan Valley Water Conservancy District
Chris Finlinson, Central Utah Water Conservancy District
Matt Hansen, Edge Homes
Brandon Watson, Edge Homes
Phyl Warnock, Keddington & Christensen
Scott Reams, WSRP
Brandon Keyes, WSRP
Katrine Myers
Dan Simons

Work Session Agenda

1. Operations Department
 - a. Energy efficiency/Wattsmart program
 - b. Water year 2018 supply and demand report
2. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. Finance Committee report
 - a. Consider approval of FY 2018 financial audit
 - b. Consider approval of participation in a second Deutsche Bank LIBOR settlement
 - c. Consider approval of updates to Policies and Procedures Manual
 - d. Reporting items
4. Engineering Committee report
 - a. Consider appeal of Dan Simons
 - b. Consider appeal of Katrine Myers
 - c. Consider approval of Salt Lake Aqueduct blow-off agreement with Pleasant Grove City
 - d. Consider approval of Pleasant Grove City Trails Phase 2 cooperation agreement addendum
 - e. Consider sale of perpetual easement to Rocky Mountain Power for Edge Homes development
 - f. Consider sale of perpetual easements to Rocky Mountain Power for Edelweiss development
 - g. Consider award of programming services contract for Power Monitoring Upgrade Project
 - h. Discuss proposed tree removal procedures
 - i. Discuss proposed press release template
 - j. Reporting items
5. Management Advisory Committee report
6. Consider approval of fleet vehicle purchase
7. Consider approval of Board Meeting minutes dated September 17, 2018
8. Consider acceptance of financial reports
9. Reporting/Scheduling items
 - a. Consider approval of meeting calendar for 2019
10. Other business
11. Items to be discussed at future meetings
12. Closed session
 - a. Discuss pending or reasonably imminent litigation
 - b. Discuss purchase or sale of real property
13. Adjourn

Work Session

Energy efficiency/Wattsmart program

Mr. Scown gave a presentation on the District's involvement in Rocky Mountain Power's Wattsmart program. The program has a financial incentive for utilities that can identify and

implement energy efficient practices. Mr. Scown reviewed some of the energy efficient improvements at the District.

Water year 2018 supply and demand

Mr. Tietje reviewed the water supply report for 2018. Water supply in 2018 reached historic lows compared to prior years. Furthermore, water demand in 2018 was higher. The low snow pack has impacted the District's overall water supply and will impact water supply and demand going forward.

Board Meeting

Call to order

At 4:40 p.m. the Chair called the meeting to order and welcomed board members, staff and guests. Mr. DeVries was excused.

Public comment

The Chair invited any public comment and no comments were made.

Consider approval of FY 2018 financial audit.

Ms. Munsey introduced Mr. Scott Reams and Mr. Brandon Keyes from WSRP. They serve as the District's accounting consultants and assisted staff in preparing the financial statements. Ms. Munsey also introduced Mr. Phyl Warnock who is an audit partner with Keddington & Christensen, the District's independent auditor. The Finance Committee reviewed the financial audit during the October 2, 2018 committee meeting and recommended approval by the full board. Mr. Hunter reported on the audit review process. Keddington & Christensen reported there were no findings as of June 30, 2018 or 2017.

Mr. Hunter motioned to approve the FY 2018 financial audit; Ms. Comarell seconded the motion. The motion carried unanimously.

Consider approval of participation in a second Deutsche Bank LIBOR settlement

Mr. Draney reported on another Deutsche Bank LIBOR settlement for over \$300 million. This is a settlement in which the District can directly participate, in contrast to the first settlement which was managed through Utah Water Finance Agency. The District's participation in this settlement would involve the same variable rate bonds associated with the first settlement. The Finance Committee discussed the second settlement during the October 2, 2018 committee meeting and recommended approval of District participation by the full board

Mr. Hunter motioned to approve participation in a second Deutsche Bank LIBOR settlement; Mr. Milne seconded the motion and it passed unanimously.

Consider approval of updates to policies and procedures manual

During the October 2, 2018 Finance Committee meeting, the committee recommended staff reword the language for P&P 3-640 because the current language in the policy contradicts itself. The board discussed the proposed changes and rewording the language in the last sentence so the public could understand it.

Mr. Milne motioned to approve the updates to policies and procedures manual, with change noted; Mr. Hunter seconded the motion. The motion carried unanimously.

Finance Committee Reporting items

Mr. Hunter reported that the Finance Committee received the quarterly check register (July – September 2018), electronic payments, over \$10,000 report, and the credit card purchases report.

Engineering Committee report

The Chair reviewed the appeal process that was included in the board packet.

Consider appeal of Dan Simons

Dan Simons

Location: 2522 Granite Crest Circle, Sandy

SLA Station: 1662+87

Corridor: 412 (fee)

SLA Pipe Classification: C

Mr. Winsor provided a staff review of the Simon's appeal. Mr. Winsor recommended that trees, pavers and shed be allowed to stay until change of ownership or repair of the aqueduct is required. Engineering committee recommended the District move forward with option 2. Board recommended that option 2 clarify that the trees and shed be removed prior to change in ownership not after. Mr. Simons was given an opportunity to address the board. He shared the efforts he has made to be in compliance with the cooperation agreement.

Mr. Milne motioned to approve option 2: Grant variance to permit the swinging chair and flagstone pads for five years. The shed and trees may remain until home ownership changes but must be removed prior to change in ownership. Shed and trees may remain until District activities require its removal. The wood pile and metal cover will be removed within 90 days; Ms. Degiorgio seconded the motion. The motion carried unanimously.

Consider appeal of Katrine Myers

Katrine Myers

Location: 945 East 1170 North, Pleasant Grove

SLA Station: 800+46

Corridor: Access Easement

Mr. Winsor provided a staff report on Ms. Myers appeal. The Engineering Committee discussed the appeal at its October 4, 2018 meeting and recommended the District abandon the remainder of Tract 229 as the District has other means of access to this tract and the easement cannot be used for its intended purpose. The Engineering Committee recommended option 3: abandonment of remainder of Tract 299.

Mr. Milne motioned to approve option 3: Abandonment of remainder of Tract 229; Mr. Mabey seconded the motion and it carried unanimously.

Consider approval of Salt Lake Aqueduct blow-off agreement with Pleasant Grove City

Blow-offs are situated at low points in the pipe and are used to drain the pipe for maintenance or emergency efforts. When constructed, the Salt Lake Aqueduct (SLA) was intended to drain into the Provo Reservoir Canal. New development and the canal enclosure have limited the District's ability to safely and effectively drain the SLA. Through this agreement, the District will have a clearer understanding of how, when and where to safely discharge the SLA. The proposed blow-off agreement with Pleasant Grove City places an upper limit of 5 cfs from each blow-off that may be discharged into the Pleasant Grove City storm drain system. The Engineering Committee has discussed the agreement and recommended approval by the full board. The committee also required that the blow off agreement be executed prior to the Pleasant Grove Trails II amendment.

Mr. Mabey motioned to approve Salt Lake Aqueduct blow-off agreement with Pleasant Grove City contingent on the agreement being signed prior to or concurrent with the Pleasant Grove Trails II amendment. Ms. Comarell seconded the motion. The motion carried unanimously.

Consider approval of Pleasant Grove City Trails Phase 2 cooperation agreement addendum

By agreement, Pleasant Grove City constructed the Valley Vista Trails Phase 1 partially within the District's Salt Lake Aqueduct (SLA) Corridor. The non-motorized trail system is for public equestrian, hiking and bike use, and expands and connects the Bonneville Shoreline Trail and Pleasant Grove City trail system. The city recently provided drawings for Valley Vista Trails Phase 2. The proposed expansion impacts SLA Tracts 300 (fee) and 301 (fee). The Engineering Committee reviewed the Phase 2 cooperation agreement addendum on August 28, 2018. Mr. Draney explained that the District has regulatory authority to waive the fee associated with the agreement. The committee recommended approval of the agreement, noting that the blow-off agreement should be signed before the trail agreement addendum.

Mr. Milne motioned to approve Pleasant Grove City Trails Phase 2 cooperation agreement addendum under the stipulation that the Pleasant Grove City blow off agreement be executed first; Mr. Hunter seconded the motion. The motion carried unanimously.

Consider sale of perpetual easement to Rocky Mountain Power for Edge Homes

S-16-1359 Edge Homes / Rocky Mountain Power

Location: Traverse Ridge, Draper

Station: 1311+17 (Edge Way)

Corridor: Fee (Tract 348)

Mr. Winsor gave the staff report on the proposed sale of perpetual easement to Rocky Mountain Power for Edge Homes. The Engineering Committee reviewed the proposed easement during the October 4, 2018 committee meeting. The committee recommended approval of the sale of a perpetual easement to Rocky Mountain Power by the full board.

Mr. Milne motioned to approve option 1: grant perpetual easements to Rocky Mountain Power for Edge Homes development; Ms. Degiorgio seconded the motion. The motion carried unanimously.

Consider sale of perpetual easement to Rocky Mountain Power for Edelweiss

S-17-1378 Edelweiss / Rocky Mountain Power

Location: Traverse Ridge, Draper

Station: 1323+48 (Snowy Peak Drive), 1330+45 (Ravine Rock Way)

Corridor: Fee (Tract 348)

The Edelweiss developer has requested two easements for Rocky Mountain Power using the same form as that proposed by Edge Homes. The Engineering Committee reviewed the proposed easements on October 4, 2018 and recommended sale of perpetual easements to Rocky Mountain Power.

Ms. Degiorgio motioned to approve sale of perpetual easement to Rocky Mountain Power for Edelweiss development; Ms. Cromer seconded the motion. The motion carried unanimously.

Consider award of programming services contract for Power Monitoring Upgrade project

Mr. Winsor reviewed the Power Monitoring Upgrade project in which SKM Engineering, LLC has completed two tasks related to the project. Due to SKM's knowledge of District systems and previous involvement, staff desires to enter into a contract with SKM to provide programming services for the Power Monitoring Upgrade project. This task is expected to cost \$270,461.74 and includes upgrading, programming and procuring equipment required for the Power Monitoring Upgrade project. Mr. Mabey informed that board that the Engineering Committee had reviewed the contract in great detail during the October 4, 2018 committee meeting and felt comfortable with staff's recommendation.

Mr. Mabey motioned to award programming services contract for Power Monitoring Upgrade project to SKM Engineering LLC in the amount of \$270,461.74; Mr. Milne seconded the motion and it carried unanimously.

Discuss proposed tree removal procedures

The board discussed at length the proposed tree removal procedures and recommended changes to the procedures. One concern was the District's ability to remove trees anytime during the year if needed. Staff was asked to incorporate the suggested changes.

Discuss proposed press release template

The board discussed the proposed press release template and recommended changes to the press release. The template will be revised and forwarded to the board for additional input and comments. The updated tree removal press release template will be included in the December board meeting.

Management Advisory Committee report

The Management Advisory Committee met on October 2, 2018 and discussed the District's safety program. Mr. Mabey also reported that the District is in the process of receiving quotes from medical and dental carriers for calendar year 2019.

Consider approval of fleet vehicle purchase

The District has received quotes for the purchase of two utility trucks. Ms. Munsey reviewed the procurement process for the fleet purchase and noted that they will be purchased in accordance with the State of Utah approved vendor list. By policy, purchases greater than \$50,000 require board approval and the total cost to purchase both vehicles is \$88,963.82.

Mr. Milne motioned to approve fleet vehicle purchase; Mr. Hunter seconded the motion. The motion carried unanimously.

Consider approval of Board Meeting minutes dated September 17, 2018

Mr. Milne motioned to approve Board Meeting minutes dated September 17, 2018; Ms. Cromer seconded the motion. The motion carried unanimously

Consider acceptance of financial reports

Mr. Mabey motioned to accept the August 2018 financial reports; Mr. Hunter seconded the motion. The motion carried unanimously

Consider approval of meeting calendar for 2019

Mr. Milne motioned to approve the meeting calendar for 2019; Ms. Degiorgio seconded the motion and the motion carried unanimously.

Other Business

No other business was discussed.

Closed Session

Mr. Draney deemed it appropriate to go into closed session to discuss pending or reasonably imminent litigation and to discuss the purchase or sale of real property. Mr. Milne motioned to go into closed session; Ms. Cromer seconded the motion and it carried unanimously. Staff and guests were excused. All board members were present along with the following staff: Mr. Winsor, Ms. Munsey, Mr. Draney, Mr. Bowles, Mr. Nicholes, and Mr. Allen. Ms. Cromer motioned to go out of closed session; Mr. Milne seconded the motion and it carried unanimously.

Adjourn

At 6:13 p.m. the board meeting adjourned.

Chair

Secretary