

**MONDAY, JULY 20, 2009**

Minutes of the 732<sup>nd</sup> meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, July 20, 2009 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:

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/Information Services Manager  
Josh DeBry, Controller  
Cláudia Wheeler, Environmental Services Manager  
Wayne Winsor, Engineering Manager  
Annalee Munsey, Executive Assistant/HR Officer  
Gardner Olson, Project Engineer  
Ammon Allen, Project Engineer  
Shawn Draney, Snow, Christensen & Martineau  
Jeff Niermeyer, Salt Lake City Public Utilities  
Shane Pace, Sandy City Public Utilities  
Alan Packard, Jordan Valley Water Conservancy District  
Chris Finlinson, Central Utah Water Conservancy District  
Mike Marchant, Brown & Caldwell  
Jim Matsumori, George K. Baum  
Richard Scott, Chapman & Cutler  
David Robertson, Lewis, Young, Robertson & Burningham  
Scott Robertson, Lewis, Young, Robertson & Burningham (electronic participation)  
Keith Denos, Provo River Water Users Association

## **Board Meeting Agenda**

1. Call to order
2. Public comment
3. Consider approval of interest rate swap arrangements and other related matters
4. Consider approval of Little Cottonwood Water Treatment Plant Post-treatment Chemical Building Design Contract
5. Consider approval of General Services Agreements for land surveying services
6. Consider approval of land exchange with Utah Department of Transportation
7. Consider acceptance of financial reports
8. Consider approval of Board Meeting Minutes dated June 22, 2009
9. Reporting/Scheduling items
10. Other Business
11. Discuss Provo Reservoir Canal Enclosure Project
12. Items to be discussed at the next meeting
13. Adjourn

## **Board Meeting Agenda**

### **Call to order**

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

### **Public comment**

Mr. Jeff Niermeyer reported on the water rights litigation between Salt Lake City and Big Ditch Irrigation. The Court ruled in favor of Salt Lake City.

### **Consider approval of interest rate swap arrangements and other related matters**

The Finance team of the District, comprised of Lewis, Young, Robertson & Burningham, Chapman & Cutler, and George K. Baum & Company, have been discussing the issues surrounding the District's exposure to Ambac Financial Services (AFS) and introduced the possibility that the credit rating of Ambac could be further downgraded, or even moved into receivership. The Finance Team proposed that the District pursue entering into new swap(s) with another counterparty at terms that would minimize any cost or impact to the District.

The Board agreed to postpone approving the interest rate swap arrangements until they could review a quantitative analysis of replacing the existing variable rate debt subject to interest rate swaps with fixed rate debt. The Finance Team would have this analysis for the Board to review in a couple of days.

### **Consider approval of Little Cottonwood Water Treatment Plant Post-treatment Chemical Building Design Contract**

The Board discussed the capital improvement projects and their related costs and timing. The decision regarding bonds in the prior agenda item is affected by the schedule and cost of anticipated capital improvement projects. The Board requested that staff and the Engineering Committee provide a sequence of priorities.

Mr. Kirkham motioned that the Board postpone consideration of the Little Cottonwood Water Treatment Plant Post-treatment Chemical design contract until the Engineering Committee and staff have provided the Board with a sequence of priorities in the asset management plan; Mr. Kapaloski seconded the motion and it carried unanimously.

### **Consider approval of General Services Agreements for land surveying services**

Since title transfer and subsequent to the encroachment inventory project, staff has identified the need for surveying services along the aqueduct corridors. The Engineering Department staff reviewed the Statements of Qualifications/Statements of Interest (SOQ/SOIs) and recommends that the District enter into General Service Agreements with RBB and Cornerstone based on expertise in the area of service and their unique knowledge of the District's infrastructure and Geographic Information System requirements.

Mr. Kapaloski motioned to approve the General Services Agreements for land surveying services; Mr. Milne seconded the motion and the motion carried unanimously.

### **Consider approval of land exchange with Utah Department of Transportation (UDOT)**

Real property at approximately 3900 South and Wasatch Boulevard was once owned by the District and sold to the UDOT. Part of the sale required that the District retain (in fee) property on the south end to accommodate existing Salt Lake Aqueduct facilities. However, what transpired was the District took ownership of real property to the north end of the parcel. This approval would correct this error and the District would retain ownership of the property to the south and Quit Claim the property to the north. Property exchange is a square-foot for square-foot exchange (no monetary compensation is due to either the District or UDOT).

Mr. Milne motioned to approve the land exchange with Utah Department of Transportation; Mr. Kapaloski seconded the motion and the motion passed unanimously.

### **Consider acceptance of financial reports**

Mr. Kirkham reported that the Finance Committee was provided with the quarterly Visa report and check register.

Mr. Kirkham motioned to accept the May 2009 financial reports; Mr. Buhler seconded the motion, and the motion carried unanimously.

### **Consider approval of Board Meeting Minutes dated June 22, 2009**

Mr. Godfrey motioned to approve the Board Meeting Minutes dated June 22, 2009; Mr. Kapaloski seconded the motion and it carried unanimously.

Mr. Kirkham excused himself from the meeting.

**Reporting/Scheduling items**

Mr. Wilson reported to the Board that Francisco Sabuco retired after 31 years of dedicated service with the District.

**Other Business**

No other business was discussed. Mr. Kapaloski excused himself from the meeting.

**Discuss Provo Reservoir Canal Enclosure Project**

Mr. Wilson updated the Board on the Provo Reservoir Canal Enclosure Project. He provided the Board with a schedule and cost update. The schedule includes the Board considering for approval the Master Agreement on August 10th. The parties are working to have the master agreement finalized before the Board of Water Resources meeting on August 13<sup>th</sup>. Mr. Wilson reviewed the cost estimates for the enclosure type options (reinforced concrete pipe, cast-in-place box culvert, welded steel pipe, and pre-cast box culvert).

**Adjourn**

At 6:15 p.m. Mr. Godfrey motioned to adjourn; Ms. Loveless seconded the motion, and it carried unanimously.

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Chair

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Secretary