

MONDAY, NOVEMBER 21, 2011

Minutes of the 755th meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, November 21, 2011 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:

John S. Kirkham	-Chair (participated electronically)
Tom Godfrey	-Vice Chair
Lee Kapaloski	-Secretary
Donald Y. Milne	-Trustee
David L. Buhler	-Trustee
Patricia Comarell	-Trustee
Kathy W. Loveless	-Trustee

Also present:

Michael Wilson, General Manager
Mike DeVries, IS Manager/Assistant General Manager
Wayne Winsor, Engineering Manager
Annalee Munsey, Administrative Supervisor
Steve Stocking, Maintenance Manager
Cláudia Wheeler, Environmental Services Manager
Sonya Shepherd, Accountant
Tom Ward, Salt Lake City Public Utilities
Shane Pace, Sandy City Public Utilities
Michael Collins, Bowen Collins & Associates
Alan Packard, Jordan Valley Water Conservancy District
Chris Finlinson, Central Utah Water Conservancy District
Johnathan Ward, Zions Bank Public Finance
Kris Cox, Haynie & Company
Angela Templin, Jensen & Keddington
Mike Zuhl, R&R Partners

Board Meeting Agenda

1. Call to order
2. Finance Committee:
 - a. Consider acceptance of fiscal year 2011 financial audit report (separate cover)
 - b. Consider approval of selected firms for bond underwriter services
 - c. Reporting items
3. Engineering Committee:
 - a. Consider capital budget contingency transfer
 - b. Consider abandonment of Tract 229 in Pleasant Grove

- c. Consider approval of property transactions related to the Mountain View Corridor being constructed by the Utah Department of Transportation.
 - d. Reporting items
4. Management Advisory Committee:
 - a. Consider approval of changes to policies and procedures related to enrollment in Medicare
 - b. Reporting items
5. Consider acceptance of financial reports
6. Consider approval of board meeting minutes dated October 17, 2011
7. Reporting/Scheduling items
 - a. Consider approval of board meeting schedule for 2012
 - b. Consider cancellation of December 19, 2011 board meeting
8. Public comment
9. Other Business
10. Items to be discussed at the next meeting
11. Closed session
12. Adjourn

Board Meeting

Call to order

At 4:30 p.m. the Vice Chair called the meeting to order and welcomed board members, staff and guests. Mr. Kirkham participated electronically.

Consider acceptance of fiscal year 2011 financial audit report

Ms. Angela Templin from Jensen & Keddington presented the findings of the annual financial audit report for fiscal year (FY) 2011. The auditors have issued a clean opinion on the District's financials. The auditors also reported on the internal controls over financial reporting and other matters and did not find anything of material weakness.

Mr. Milne motioned to accept the FY 2011 financial audit report; Ms. Comarell seconded the motion, and the motion passed unanimously.

Consider approval of selected firms for bond underwriter services

Pursuant to the District's Policies and Procedures regarding the selection of professional services, the District, in conjunction with Zions Bank Public Finance, issued a request for proposal related to underwriting services. Proposals were received from 14 underwriter firms. A selection committee reviewed the proposals and recommended the top ranked firms to be Wells Fargo and Citigroup. The nature of the proposed contract is a direct relationship between two underwriting firms and a contractual relationship is not necessary. The Finance Committee reviewed the proposals of the top four firms and the committee recommended moving forward with the selection of Wells Fargo and Citigroup. The board discussed the two proposals

including the proposed pricing, take down ability of both firms, and the relevance of water bond experience.

Ms. Loveless motioned to approved the Wells Fargo and Citigroup for bond underwriter services; Mr. Kapaloski seconded the motion and the motion carried unanimously.

Finance Committee reporting items

Mr. Buhler reported that the members of the Finance Committee received and reviewed the quarterly check register, credit card purchases, and electronic payments (July – September 2011).

Consider capital budget contingency transfer

Two projects have been identified that will require capital funds during Fiscal Year 2012: Raw Water POMA Modifications for \$475,000.00 and Little Cottonwood Creek POMA Crossing for \$100,000.00. The Finance Committee and the Engineering Committee reviewed and discussed the contingency transfer request at their respective November committee meetings.

Mr. Milne motioned to approve the capital budget contingency transfer of \$575,000.00; Ms. Comarell seconded the motion, and it carried unanimously.

Consider abandonment of Tract 229 in Pleasant Grove

Salt Lake Aqueduct (SLA) Tract 229 was acquired by the District in 1939 for use as a roadway easement to the SLA corridor. It was then conveyed to the Bureau of Reclamation in 1949. On October 2, 2006 the easement was quitclaimed back to the District as part of Title Transfer. A portion of Tract 229 has been encumbered by backyards, fences, lawns, driveways, and a portion of one home. As it now stands the District cannot access the SLA corridor via this access easement; however, the District has nearby access options to the north and south. The Engineering committee reviewed the notice of partial abandonment of easement during their November committee meeting and recommended approval to the board.

Mr. Kapaloski motioned to approve partial abandonment of SLA Tract 229 in Pleasant Grove; Mr. Milne seconded the motion and it passed unanimously.

Consider approval of property transactions related to the Mountain View Corridor being constructed by the Utah Department of Transportation.

The Utah Department of Transportation (UDOT) intends to acquire lands and interests in lands near Jordan Valley Water Treatment Plant for the Mountain View Corridor. This includes lands and access jointly owned by Jordan Valley Water Conservancy District and the District.

Mr. Milne motioned to approve property transactions related to the Mountain View Corridor being constructed by the Utah Department of Transportation; Ms. Loveless seconded the motion and it passed unanimously.

Consider approval of changes to policies and procedures related to enrollment in Medicare

During the FY 2012 budgeting process, the Management Advisory Committee recommended that staff research the option of allowing employees who are Medicare eligible, to drop the District's group health insurance coverage, and enroll in Medicare. The District would cover the costs of Medicare premiums and any Medicare supplements. Depending upon the situation of the employee, enrollment in Medicare may be a cost savings to the employee and District as well as improve the employee's health coverage. Reimbursement of Medicare premiums and supplements would not exceed the amount the District pays for group health insurance coverage and Health Savings Account contributions.

Ms. Comarell motioned to approve changes to policies and procedures related to enrollment in Medicare; Mr. Kapaloski seconded the motion, and it passed unanimously.

Management Advisory Committee reporting items

Ms. Munsey reported on the District's open enrollment process. The District solicited bids for medical and dental insurance. Through a selection process, the District has retained Select Health as the medical carrier; however, EMI has been selected as the District's dental provider.

Consider acceptance of financial reports

Ms. Loveless motioned to accept the September 2011 financial reports; Mr. Buhler seconded the motion, and the motion passed unanimously.

Consider approval of board meeting minutes dated October 17, 2011

Mr. Milne moved to approve the Board Meeting minutes dated October 17, 2011; Ms. Comarell seconded the motion, and the motion carried unanimously.

Consider approval of annual board meeting schedule

The District proposed a 2012 meeting schedule for board meetings and committee meetings. The frequency of Engineering Committee meetings was reduced but additional meetings could be scheduled based on need.

Ms. Loveless motioned to approve the 2012 Board Meeting schedule; Ms. Comarell seconded the motion and it passed unanimously.

Public comment

The Vice Chair invited any public comment. No public comment was made.

Closed session

Mr. Wilson deemed it appropriate to go into closed session for the following reasons: issues relating to pending or imminent litigation; discussion of the character, professional competence, or physical or mental health of an individual; and strategy sessions to discuss the purchase, exchange, or lease of real property including water right(s) or water share(s). Ms. Loveless motioned to go into closed session; Ms. Comarell seconded the motion and it passed unanimously. Staff and guests were excused. Mr. Kirkham excused himself from the closed session. All other board members were present including Mr. Wilson, Mr. DeVries and Ms. Munsey. Staff was excused during the discussion of the character, professional competence, or physical or mental health of an individual.

Mr. Milne was excused at 6:13 p.m.

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

Consider cancellation of board meeting scheduled for December 19, 2011

Mr. Wilson recommended cancellation of the board meeting scheduled for December 19, 2011.

Ms. Comarell motioned to cancel the December 19, 2011 board meeting; Mr. Kapaloski seconded the motion and it passed unanimously.

Other Business

Mr. Kapaloski motioned to support the position of the District, as stated in the letter from the Management Advisory Committee dated October 5, 2011, relative to the termination of Mr. Uzeir Ramulic; Ms. Comarell seconded the motion, and the motion passed unanimously. Mr. Kirkham and Mr. Milne were excused and did not vote.

Adjourn

The board meeting adjourned at 6:17 p.m.

Chair

Secretary