

MONDAY, JUNE 18, 2018

Minutes of the 824th meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, June 18, 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:

Mike DeVries, General Manager
Annalee Munsey, Assistant General Manager
Matt Tietje, Operations Manager
Ryan Nicholes, Information Services Manager
Cláudia Bauleth, Lab Manager
Blake Bowles, Executive Assistant
Sonya Shepherd, HR Program Manager
Shawn Draney, Snow Christensen & Martineau
Jesse Stewart, Salt Lake City Public Utilities
Tom Ward, Sandy City Public Utilities
Keith Denos, Provo River Water Users Association
Steve Cain, Provo River Water Users Association
Mike Wilson, CRS Engineers

Work Session

1. Laboratory tour
2. Other

Board Meeting

1. Call to order
2. Employee recognition
3. Public comment
4. Open and Public Meetings Act training
5. Report on District's response to the Legislative Audit best practices
6. Management Advisory Committee report
 - a. Consider approval of changes to Policies and Procedures of the District

- b. Other
7. Finance Committee report
 - a. Consider approval of Resolution 1895 adopting the fiscal year 2019 budget
 - b. Report on property and liability insurance coverage
 - c. Other
8. Engineering Committee report
 - a. Consider award of construction contract for Administration Building Roof Replacement Project
 - b. Reporting items
 - c. Other
9. Consider approval of Resolution 1896 authorizing staff to administer the District's Utah Public Treasurers' Investment Fund account
10. Consider election of officers
11. Discuss and consider approval of board committee assignments
12. Consider approval of Board Meeting minutes dated May 21, 2018
13. Consider acceptance of financial reports
14. Reporting/Scheduling items
 - a. Water supply and demand report
15. Other business
16. Items to be discussed at future meetings
17. Closed session
18. Adjourn

Work Session

Mr. Godfrey welcomed board members, staff, and guests. During the work session, board members, staff, and guests toured the District's Environmental Laboratory. Mr. Jeff Matheson, Lab Supervisor, and Ms. Cláudia Bauleth, Lab Manager, provided a tour of the lab and reviewed the lab services provided to the Salt Lake City and Sandy City.

Board Meeting

Call to order

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

Employee Recognition

Mr. DeVries recognized Mr. Matt Tietje, Operations Manager, for 20 years of service. Mr. Mike DeVries also reached his 20 year service anniversary. The Chair expressed appreciation for his service. Ms. Munsey recognized Ms. Sonya Shepherd who was recently promoted to HR Program Manager.

Public comment

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

Open and Public Meetings Act Training

The Open and Public Meetings Act, Utah Code Ann., Title 52, Chapter 4 requires that the members of the board are provided with annual training on the requirements of the Act. Mr. Bowles's presentation included a review of meeting notice requirements, written minutes of open meetings requirements, and purposes for closed meetings.

Report on District's response to the Legislative Audit best practices

In July of 2017 the District received a letter from Senator Niederhauser and Speaker Hughes regarding an audit performed on a sample of limited purpose entities. The audit of these entities found significant control weaknesses. The Auditor General developed a checklist of best practices for board members of special purpose entities. Staff reviewed the report and the checklist to identify potential changes to District practices and policies in order to match recommendations from the legislative audit. In October 2017, the Management Advisory Committee discussed the legislative audit analysis and developed a recommendation of next steps to be taken, including board committee oversight. The best practice items assigned to the Management Advisory Committee and the Finance Committee were reviewed during their respective June 5, 2018 committee meetings. Mr. DeVries reported on the District's response to the Legislative Audit best practices checklist. The proposed changes to the Policies & Procedures Manual will address any outstanding items on the checklist.

Management Advisory Committee report

The Management Advisory Committee met on June 5, 2018 and reviewed the proposed changes to the Policies and Procedures Manual. The committee recommended approval of the proposed changes by the full board. The committee also received a report on the District's surplus items and their recommended proper disposition.

Consider approval of changes to Policies and Procedures (P&P) of the District

The periodic review of the P&P takes place in June of each year after the Utah legislative session and the resulting implementation of any new laws affecting District policy. The Engineering Committee developed recommendations related to Chapter 16 of the P&P (right-of-way chapter). The Finance Committee reviewed and provided input on the proposed changes to Chapter 3, of the P&P and the Management Advisory Committee provided input on the proposed changes to Chapters 1, 10 and 11 of the P&P. Mr. DeVries reported that most of the proposed changes address the Auditor General's best practices checklist.

Ms. Degiorgio motioned to approve the changes to the Policies and Procedures of the District with changes noted; Mr. Hunter seconded the motion and it carried unanimously.

Finance Committee report

In addition to reviewing the P&P, the Finance Committee met with representatives from Moreton & Company to review the FY19 renewal quotes for the District's general insurance. Moreton & Company provides insurance broker services to the District. The District's overall FY19 general insurance budget decreased by 8 percent compared to FY18. This was due to the 3 year prepayment in FY18 for the Environmental Liability and the Public Official Bond policies. The property coverage premium increased due to the completion of Terminal Reservoir. Overall the Finance Committee was pleased with the report.

Consider approval of Resolution 1895 adopting the fiscal year 2019 budget

Mr. DeVries provided an updated budget resolution with the FY19 certified tax rates and corresponding property tax revenues for Salt Lake City and Sandy City.

Mr. Hunter motioned to approve Resolution 1895 adopting the Fiscal Year 2019 budget; Mr. Milne seconded the motion. The motion carried unanimously.

Consider award of construction contract for Administration Building Roof Replacement Project

The LCWTP Administration Building metal roof was installed as part of the original building construction in 2000. The roof has failed to perform. Water leaks and ice damming in gutters and downspouts have caused damage. An assessment of the roof determined that replacement was necessary. AE2s was hired to design a new metal roof including gutters, downspouts, snow guards, and ice melt system. Bids for the construction project were received from three contractors. The Engineering Committee recommended award of the project for \$151,040.33 to Disaster Professionals, LLC.

Mr. Milne motioned to approve award of construction contract for Administration Building Roof Replacement Project to Disaster Professionals for \$151,040.33; Mr. Mabey seconded the motion. Motioned carried unanimously.

Engineering Committee Report

The Engineering Committee met on June 4, 2018. They reviewed the right-of-way licensing program. Mr. Milne requested that staff follow-up with outstanding encroachments, specifically those where applicants have delayed action.

Consider approval of Resolution 1896 authorizing staff to administer the District's Utah Public Treasurers' Investment Fund account

Mr. DeVries reviewed the District's Public Treasurers' Investment Fund (PTIF) account and who has access to the account. The resolution was prepared by the Office of the State Treasurer. With the transition in District leadership, staff recommends Mr. DeVries and Ms. Munsey as authorized users for the account.

Mr. Hunter motioned to approve Resolution 1896 authorizing staff to administer the District's Utah Public Treasurer's Investment Fund account; Mr. Milne seconded the motion and it carried unanimously.

Consider election of officers

In June of each year, the board selects a Chair, Vice-Chair, and Secretary to serve for a term of one year from July 1 to June 30 the following year. Currently Mr. Godfrey serves as the Chair, Mr. Milne as Vice-Chair, and Ms. Comarell as Secretary.

Mr. Milne motioned to approve the current officers of the board; Ms. Degiorgio seconded the motion. The motion carried unanimously.

Discuss and consider approval of board committee assignments

Mr. Milne motioned to approve the current board committee assignments; Mr. Mabey seconded the motion and it carried unanimously.

Consider approval of Board Meeting minutes dated May 21, 2018

The board discussed the need to follow-up with Mr. Redd regarding the saw cut on property line. The motion to approve Mr. Redd's appeal did not include a date for the saw cut to be completed. If the work has not been completed by the August board meeting, the board recommends the appeal be revisited by the board. Ms. Cromer noted one correction to the Edge Homes easement motion.

Ms. Comarell motioned to approve the Board Meeting minutes dated May 21, 2018 with correction noted; Ms. Cromer seconded the motion and it carried unanimously.

Consider acceptance of financial reports

Mr. Hunter motioned to accept the April 2018 financial reports; Mr. Milne seconded the motion and it passed unanimously.

Reporting/Scheduling items

Mr. Tietje provided a water system demand report on the District's water system. He highlighted the snow pack, warm weather in May, and Little Cottonwood Creek flows. The creek is running forty percent less than the historical average. The District expects to utilize more Provo River Project water due to low flows in the creek.

Mr. DeVries reported on the Legislative Interim meetings that are underway. Subcommittees have been established to discuss the hot topics from the legislative session, such as extraterritorial jurisdiction and surplus water sales. The District is participating where it makes sense. Salt Lake City and Sandy City have either a representative on the subcommittee or are

attending the meetings. In August, staff will provide a report to the board on the progress of these subcommittees.

Other business

No other business was discussed.

Adjourn

At 5:20 p.m. the board meeting adjourned.

Chair

Secretary

unapproved