

## MONDAY, FEBRUARY 25, 2019

Minutes of the 831<sup>st</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, February 25, 2019 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
John H. Mabey, Jr.	-Trustee
Arthur D Hunter	- Trustee

Also present:

Mike DeVries, General Manager  
Annalee Munsey, Assistant General Manager  
Wayne Winsor, Assistant General Manager/Engineering & Maintenance Manager  
Blake Bowles, Executive Assistant  
Matt Tietje, Operations Manager  
Ryan Nicholes, Information Services Manager  
Cláudia Bauleth, Laboratory Manager  
Sonya Shepherd, HR Program Manager  
Ammon Allen, Engineering Supervisor  
Josh Croft, Accountant  
Jon Jeffries, Aqueduct Inspector  
Gardner Olsen, Engineer I  
Dan Hartman, Hartman Management Group  
Shawn Draney, Snow Christensen & Martineau  
Keith Denos, Provo River Water Users Association  
Jeff Budge, Provo River Water Users Association  
Mike Collins, Bowen Collins & Associates  
Keith Larson, Bowen Collins & Associates  
Alan Packard, Jordan Valley Water Conservancy District  
Johnathan Ward, Zions Public Finance  
Mike Wilson, CRS Engineers  
Adam Jones, Brown & Caldwell  
Alejandro & Ana Breton, Self

### **Work Session Agenda**

1. 2019 Supply & Demand Master Plan

2. Facility Demand Analysis
3. Other

### **Board Meeting Agenda**

1. Call to order
2. Employee recognition
3. Public comment
4. Legislative update
5. Bonds refunding update
6. Engineering Committee report
  - a. Consider appeal of Dwight Hooker
  - b. Consider appeal of Alejandro Breton
  - c. Consider approval of addendum to Draper City trails cooperation agreement
  - d. Consider approval of a \$50,000 transfer within the capital budget
  - e. Consider approval of programming services contract amendment
  - f. Consider approval of Terminal Reservoir Replacement Project Deed and Bill of Sale No. 2
  - g. Reporting items
7. Consider approval of Board Meeting minutes dated January 28, 2019
8. Consider acceptance of financial reports
9. Reporting/Scheduling items
  - a. Water supply
  - b. Annual compliance report
10. Other business
11. Items to be discussed at future meetings
12. Closed session
  - a. Pending or reasonably imminent litigation
13. Adjourn

### **Work Session**

#### **2019 Supply & Demand Master Plan**

Mr. Larson from Bowen Collins & Associates gave a presentation on the Districts long-term supply and demand analysis. For practical purposes, all demand on the District comes from its two member agencies: Salt Lake City (SLC) and Sandy City (Sandy). Both agencies have recently completed their own Supply & Demand studies and reported some changes that will, or have the potential to, affect demand on the District.

#### **Facility Demand Analysis**

Mr. Collins presented on the Facility Demand Analysis. This study looked at the District's facilities and their ability to handle the long-term supply and demand from Salt Lake City and Sandy City.

## **Board Meeting**

### **Call to order**

At 4:37 p.m. the Chair called the meeting to order and welcomed board members, staff and guests.

### **Employee recognition**

Mr. Winsor recognized Mr. Jon Jeffries, Aqueduct Inspector, for 15 years of service.

### **Public comment**

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

### **Legislative update**

Mr. Hartman provided a legislative update to the board. Due to the efforts of the interim session work groups, committee has favorably received three bills (HB 31, HJR1 and SB17). The Senate and House will likely pass these bills. The District has also been tracking SCR10 which is a resolution urging solutions for the Central Wasatch Mountains. Mr. Hartman also addressed bills that relate to water conservation plans and the use of property tax by conservation districts.

### **Bonds refunding update**

Mr. Johnathan Ward, the District's financial advisor, gave an update on the pricing committee discussions related to the refunding of the 2012 bonds. Current market rates are producing significant savings to the District. The District invited two bidders, Capital One and Key Bank, to propose an offer for the purchase of the water revenue bonds. These bonds start as taxable bonds and then convert to tax-exempt bonds on July 2022. Based on current market rates, there is an approximate \$2.3 million Net Present Value savings. Mr. DeVries will provide the board with appropriate details once the transaction has been finalized.

### **Consider appeal of Dwight Hooker**

#### **Dwight Hooker**

**Location:** 2694 E. Grandview Dr., Sandy

**SLA Station:** 1697+80

**Corridor:** Fee (Tract 418)

Mr. Winsor provided a staff review of the Hooker appeal. Mr. Dwight Hooker purchased the property in September 2017. During a routine inspection in July 2018, District staff discovered a chicken coop, flagstone pavers, stairs and a water feature had been added to the property. While clearing shrubs and grasses on the property, Mr. Hooker discovered existing concrete flatwork and retaining walls within the Salt Lake Aqueduct (SLA) corridor. Mr. Hooker was notified on August 22, 2018 that the uses inconsistent with District policy would need to be

removed. The denied uses include water feature, pavers, concrete flatwork, concrete retaining walls, and chicken coop. Mr. Hooker appealed to the Assistant General Manager on September 5, 2018, noting that water feature is a dry rock bed with no water or electricity connected, and that the chicken coop had been removed from the SLA corridor. The Engineering Committee discussed the Hooker appeal during the February 5, 2019 committee meeting and recommended approval of option 1 by the full board. The committee concluded flagstone pavers do not negatively impact the District's objectives. The committee also determined the existing retaining wall and flatwork may remain given its benefits to slope stability.

Mr. Milne motioned to approve Option 1: Grant variance to permit the flagstone pavers, retaining wall, and concrete flatwork by addendum to the existing agreement; Ms. Cromer seconded the motion. The motion carried unanimously.

### **Consider appeal of Alejandro Breton**

#### **Alejandro Breton**

**Location:** 148 Denali Dr., Lindon

**SLA Station:** 607+43.5

**Corridor:** 1890 Easement (Tract 211)

Mr. Winsor provided a staff review of Breton's appeal. The Canberra Heights Plat A subdivision was recorded in 1999 and is partially encumbered by the Salt Lake Aqueduct (SLA) Corridor. Mr. Breton purchased Lot 4 in 2004 and shortly thereafter constructed a home on the unencumbered portion of the lot. The rear yard was not landscaped at that time. In or around 2006, the Mr. Breton planted several trees within the SLA Corridor above the SLA. District policy does not permit tree within 20 feet of the SLA centerline. The Engineering Committee discussed Mr. Breton's appeal during the February committee meeting. Mr. Breton is asking for a five-year period in order to relocate the existing trees. Mr. Breton was given an opportunity to address the board. He shared the efforts he has made to comply with the easement. The board discussed at length Mr. Breton's appeal. The board discussed the size of the trees and the communications that took place with the Bureau of Reclamation and the District.

Ms. Degiorgio motioned to approve Option 1: grant variance to policy to permit trees within 20 feet of the SLA centerline for three years by agreement. The trees will be relocated outside the SLA corridor within those three years. The motion also included that District staff contact neighboring properties about trees in the corridor; Ms. Cromer seconded the motion. The motion passed with a 6 to 7 vote. Mr. Milne opposed.

### **Consider approval of addendum to Draper City trails cooperation agreement**

Mr. DeVries provided a review of the addendum to Draper City trails cooperation agreement. By agreement dated August 28, 2012, Draper City operates and maintains a series of trails on the Salt Lake Aqueduct (SLA) Corridor and other District lands in Corner Canyon. The non-motorized trail system is for public equestrian, hiking and bike use. The city recently provided drawings for the Edelweiss Trails and Rush Trail Extension. The proposed expansions impact SLA Tracts 348A, 348B, and 349A (fee). The Engineering Committee reviewed the

addendum during the February 5, 2019 committee meeting and recommended the Board consider approval of the Draper City trails cooperation agreement addendum.

Mr. Hunter motioned to approve addendum to Draper City trails cooperation agreement and authorize the General Manager to execute said addendum; Ms. Cromer seconded the motion. The motion carried unanimously.

#### **Consider approval of a \$50,000 transfer within the capital budget**

Mr. DeVries provided an explanation for the budget transfer. This is not an increase to the capital budget. The District uses chlorine gas at the Little Cottonwood Water Treatment Plant for disinfection. A chlorine gas scrubber is maintained to remove gaseous chlorine from the chlorine room in the event of a leak. The scrubber was installed in 1993 and rehabilitated in 2014. Despite the rehabilitation, the scrubber is actively failing and in need of replacement. The purpose of the capital transfer is to provide \$50,000 to engineer and manage the project through design, bid and award in FY2019. The Engineering Committee discussed the LCWTP Scrubber Replacement Project and associated capital budget transfer during the February 4, 2019 committee meeting. The committee recommended approval of a \$50,000 transfer from Power Monitoring Upgrade Project to the LCWTP Scrubber Replacement Project for design engineering services by the full board.

Mr. Milne motioned to approve a \$50,000 transfer within the capital budget; Ms. Degiorgio seconded the motion. The motion carried unanimously.

#### **Consider approval of programming services contract amendment**

Mr. DeVries reviewed the programming services contract with SKM Engineering and the amendment amount is within budget. The Engineering Committee reviewed the contract amendment during the February committee meeting.

Mr. Milne motioned to approve programming services contract amendment in the amount of \$34,179.66 to SKM Engineering to provide additional programming and procurement of equipment related to the Power Monitoring Upgrade; Mr. Hunter seconded the motion and it carried unanimously.

#### **Consider approval of Terminal Reservoir Replacement Project Deed and Bill of Sale No. 2**

Mr. Winsor provide a review of the Deed and Bill of Sale No. 2. With the project now complete the District desires to meet its obligation and convey the remaining described improvements and facilities to the Salt Lake City.

Mr. Mabey motioned to approve Terminal Reservoir Replacement Project Deed and Bill of Sale No. 2 and authorize the General Manager to execute said Bill of Sale, following approval of the form from Salt Lake City; Mr. Hunter seconded the motion and it carried unanimously.

#### **Consider approval of Board Meeting minutes dated January 28, 2019**

Ms. Cromer motioned to approve Board Meeting minutes dated January 28, 2019; Mr. Mabey seconded the motion. The motion carried unanimously.

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

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

### **Reporting/Scheduling items**

Mr. DeVries invited Mr. Tietje to provide an update on the water supply and health of the watershed. Mr. Tietje reported that the projected water supply is very good and should fill the reservoir. He tracks the water reports for the Provo River, Big Cottonwood and Little Cottonwood streams.

The Point of the Mountain Plant treated more water this year which resulted in increased chemical and power costs.

Mr. DeVries reviewed the annual compliance report. This report is in response to the list of best practices for internal control and governance by the Auditor General's office. The District has complied with all state laws as well as other financial compliance reporting requirements.

### **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. Mr. Milne motioned to go into closed session; Ms. Cromer seconded the motion and it carried unanimously. All other board members were present along with the following staff: Mr. DeVries, Mr. Winsor, Ms. Munsey, Mr. Draney and Mr. Bowles.

Ms. Cromer motioned to go out of closed session; Mr. Mabey seconded the motion and it carried unanimously.

### **Adjourn**

At 6:25 p.m. the board meeting adjourned.

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Chair

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Secretary