

Tab 3

MONDAY, JUNE 12, 2023

Minutes of the 874th meeting of the Metropolitan Water District of Salt Lake & Sandy Board of Trustees held Monday, June 12, 2023 at 3:30 p.m. at 3430 E Danish Road, Cottonwood Heights, UT 84093.

The following trustees attended the board meeting:

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

The following staff and guests attended the board meeting:

Annalee Munsey, General Manager
Wayne Winsor, Assistant General Manager - Chief Administrative Officer
Gordon Cook, Assistant General Manager – Chief Operating Officer
Jeff Matheson, Laboratory Manager
Matthew Tietje, Operations Manager
Jared Rose, IT Supervisor
Kelly Stevens, Senior Engineer
Ammon Allen, Engineering Supervisor
Breana Jackson, Executive Assistant
Michelle Fordham, Administrative Assistant
Josh Croft, Accountant
Dani Cepernich, Snow, Christensen & Martineau
Benjamin Cilwick, Snow, Christensen & Martineau
Jesse Stewart, Salt Lake City Public Utilities
Tom Ward, Sandy City Public Utilities
Gerard Yates, Central Utah Water Conservancy District
Jim Brooks, Central Utah Water Conservancy District
Jeff Budge, Provo River Water Users Association
Jacob Young, Jordan Valley Water Conservancy District
Serra Nemelka, Rockworth Co.
Steve Van Maren, Sandy Resident

Work Session Agenda

1. Tour of Managed Aquifer Recharge project
2. Open and Public Meetings Act training
3. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. Finance Committee report
 - a. Consider approval of Resolution 1924 amending the fiscal year 2023 budget
 - b. Consider approval of Resolution 1925 adopting the fiscal year 2024 budget
 - c. Consider approval of Resolution 1926 to update Zions Signature Card
 - d. Consider approval of Resolution 1927 authorizing individuals to administer the
 - e. Public Treasurer's Investment Fund for the District
 - f. Consider approval to authorize Treasurer and Assistant Treasurer to act on behalf of the District's investments
 - g. Consider acceptance of financial reports
 - h. Consider approval of liability insurance coverage
 - i. Reporting items
 - a. Property tax position statement
4. Consider approval of changes to Policies and Procedures of the District
5. Engineering Committee report
 - a. Consider approval of easement agreement with Rockworth development
 - b. Consider approval of professional services agreement for IT Master Plan
 - c. Consider approval of Resolution 1928 of Annexation of Property
 - d. Consider approval of Amendment No.2 to SLAR-CC Project
 - e. Consider approval for MAR SIBs Infrastructure construction
 - f. Consider approval of Solids Removal Project 2023 contract
 - g. Consider approval of fiscal year 2024 procurements
 - h. Reporting items
6. Consider election of officers
7. Discuss and consider approval of board committee assignments
8. Consider approval of Board Meeting minutes dated May 15, 2023
9. Reporting/Scheduling items
 - a. Water supply and demand update
10. Other business
11. Items to be discussed at future meetings
12. Closed session
 - a. Pending or reasonably imminent litigation
 - b. Strategy sessions to discuss the purchase, exchange, or lease of real property, including water right(s) or water share(s), when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the District from completing the transaction on the best possible terms
13. Adjourn

Work Session

Tour of Managed Aquifer Recharge Project

Mr. Allen led a tour of the under-construction aquifer storage and recovery well at the Little Cottonwood Water Treatment Plant. The project scope, purpose, progress, and future were discussed.

Open and Public Meetings Act Training

Mr. Winsor presented the training on the Open and Public Meetings Act, which is presented to the board annually. He presented information on open meetings vs closed meetings, meeting minutes, recording of meetings, electronic meetings, notices of meeting, and emergency meetings.

Other

No other items were discussed.

Board Meeting

Call to order

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

Public comment

Mr. Steve VanMaren, Sandy Resident, asked if the date had been changed for the previous meeting. He was reassured the board meeting was held on the third Monday in May.

Consider approval of Resolution 1924 amending the fiscal year 2023 budget

Mr. Kirkham stated that part of Resolution 1924 adjustments were to comply with the auditor's recommendations from last year. Ms. Munsey explained the significant adjustment was related to Provo River Project costs being accounted for as O&M rather than capital as has been originally budgeted. Another adjustment was to correct a decimal error correcting \$81,500.00 to \$815,000.00 for interest expense. The Jordan Aqueduct System increased expenses due to moving up the completion date. The last amendment item was to increase the repair and replace capital budget.

Mr. Kirkham motioned to approve Resolution 1924 amending the fiscal year 2023 budget. Mr. Mabey seconded the motion and the motion passed unanimously.

Consider approval of Resolution 1925 adopting the fiscal year 2024 budget

Mr. Kirkham stated the resolution highlighted changes that have occurred since the adoption of the tentative budget. The resolution shows a decrease in tax revenues due to

maintaining the certified tax rate, decrease for the SLAR-CC project, and a decrease of \$34.4 million for bond proceeds. Ms. Munsey also added the proposed certified tax rates for both member cities were received.

Mr. Kirkham motioned to approve Resolution 1925 adopting the fiscal year 2024 budget. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of Resolution 1926 to update Zions Signature Card

Ms. Munsey explained that with Mr. Mike DeVries' retirement, the account agreement with Zions Banks needs to be updated. Staff recommended that the board approve adding Wayne Winsor as the second employee authorized to enter into an Account Agreement and Signature Card with Zions Bank for all Zions Bank accounts in the name of the District. The Finance Committee discussed resolution 1926 at the May 23, 2023 meeting and recommended approval by the full board.

Mr. Kirkham motioned to approve Resolution 1926 Resolution to update Zions Signature Card. Mr. Milne seconded the motion and the motion passed unanimously.

Consider approval of Resolution 1927 authorizing individuals to administer the Public Treasurer's Investment Fund (PTIF) for the District

The Utah State Treasurer prepared the resolution which authorizes two District employees to make deposits and withdrawals from the account. Ms. Munsey proposed listing Annalee Munsey, General Manager and Wayne Winsor, Assistant General Manager/Chief Administrative Officer as the two authorized individuals on the PTIF account

Mr. Milne motioned to approve Resolution 1927 authorizing individuals to administer the Public Treasurer's Investment Fund for the District. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Consider approval to authorize Treasurer and Assistant Treasurer to act on behalf of the District's investments

The District entered into an agreement with Zions Capital Advisors ("Zions") for investment advisor services in 2021. Zions provides investment advice, account review, and ensures that all investments meet the requirements of the most recent version of the State Money Management Act. Currently, Mike DeVries and Annalee Munsey are authorized to act on behalf of the District and work with the investment advisor. Staff proposed updating Annalee Munsey, Treasurer and Wayne Winsor, Assistant Treasurer as the two authorized representatives to act on behalf of the District and work with the investment advisor. The Finance Committee discussed investment account authorization during the May 23, 2023 meeting.

Mr. Kirkham motioned approval to authorize Treasurer and Assistant Treasurer to act on behalf of District's investments. Mr. Milne seconded the motion and the motion passed unanimously.

Consider acceptance of financial reports

Mr. Kirkham motioned to accept the April 2023 financial reports. Mr. Milne seconded the motion and the motion passed unanimously.

Consider approval of liability insurance coverage

The District entered into an agreement with Utah Local Governments Trust ("Trust") for insurance broker services in 2021. The Trust has the capacity to place coverage within the commercial market or provide exclusive coverage through their propriety form. The Trust proposed two options for insurance carriers/coverages to the Finance Committee

Mr. Kirkham reported that the Finance Committee reviewed the options and recommended adoption of option two for insurance carriers/coverages. Ms. Munsey explained this option would move our comprehensive liability insurance to the Trust and our cyber security insurance to Cowbell/ Houston Specialty Insurance resulting in a decrease in those premiums. Overall, the renewal premium represent an increase of 9.5% from FY2023 premiums

Mr. Kirkham motioned to approve of option 2 for liability insurance coverage. Ms. Comarell seconded the motion and the motion passed unanimously.

Reporting items

In 2015, Zions Public Finance completed a review of property tax alternatives for the District. After which the board approved a property tax position statement. Based on feedback from the board, the statement was updated in March of 2022. In 2023, Zions Public Finance completed an update of the property tax alternatives. The 2023 report and the 2022 property tax position statement were included in the packet.

The board recommended rewording the property tax position statement to assist the public with understanding of items. Ms. Munsey will propose updates to the position statement and circulate to the board for their comments. A revised statement will be presented and discussed at a future meeting.

Consider approval of changes to Policies and Procedures of the District

The Management Advisory Committee met on May 23, 2023 to review the proposed changes and the Engineering Committee met on May 24, 2023 to review the proposed changes to Chapter 16 of the P&P. The committees recommend approval by the full board. Mr. Milne proposed a change to Chapter 16 under Landscaping. The added line in 6.a should be changed to read, "Landscape plan should be provided by the applicant for review."

Mr. Milne motioned to approve of changes to Policies and Procedures of the District. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of easement agreement with Rockworth development

The Engineering Committee discussed the Rockworth development on May 24, 2023 and recommended approval of the Easement Agreement, with minor modifications as may be required and approved by the District's General Manager and counsel. The development includes the former AJ Dean gravel pit located at 6700 South and portions of Wasatch Boulevard. The design contemplated grading, landscaping, trails, a public road crossing, a private road crossing, and associated utilities within the Salt Lake Aqueduct corridor

Mr. Kirkham motioned to approve the easement agreement with Rockworth development subject to modifications that may be required and approved by District General Council, General Manager and Board Chair and are consistent with District interests. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of professional services agreement for IT Master Plan

The IT Master Plan will provide the IT Department a proactive, priority-based roadmap for addressing existing and future IT infrastructure. The plan will also inform future District budgets for planning, design, and construction efforts. A Request for Statements of Qualifications (SOQ) for the IT Master Plan was advertised on Sciqwest between March 8 and April 14, 2023. One SOQ was received. The selection committee met with the consultant, Hazen and Sawyer, to ascertain capability and scope the project. The Engineering Committee discussed this item on May 24, 2023 and recommended approval by the full board.

Mr. Milne motioned to approve the professional services agreement for the IT Master Plan with Hazen and Sawyer in the amount of \$149,905.00. Ms. Degiorgio seconded the motion and the motion was passed unanimously.

Consider approval of Resolution 1928 of Annexation of Property

Sandy City annexed four properties in November 2022, which receive water from Sandy City Public Utilities. The Engineering Committee discussed this annexation on May 24, 2023 and recommended approval by the full board.

Mr. Mabey motioned to approve Resolution 1928 of annexation of property. Ms. Degiorgio seconded the motion and the motion was passed unanimously.

Consider approval of Amendment No.2 to SLAR-CC Project

Mr. Stevens explained the need for additional funds outlined in Amendment No 2. Funds would be used to move alignments to accommodate design parameters to protect the project from sloping issues, add fiber optics communication, and to define the endpoint location. The total amendment to the project would be \$129,385.00.

Mr. Milne motioned to approve of Amendment No.2 to SLAR-CC Project in the amount of \$129,385.00. Ms. Degiorgio seconded the motion and the motion was passed unanimously.

Consider approval for MAR SIBs Infrastructure construction

Pilot Testing and Phase 1 of the District's Managed Aquifer Recharge (MAR) project includes constructing an injection well, five monitoring wells, and about 4.3 acres of surface infiltration basins (SIBs). These facilities will send an estimated 29 acre feet of water per day to the aquifer. A notice inviting bids for the SIBs and Site Infrastructure was advertised beginning April 13, 2023. Two bid packages were presented – one for the SIBs and another for equipping the ASR well. The apparent low bid is from COP Construction at \$5,550,687.00. This project will be funded through ARPA grant funds, the District's ASR Reserve Fund, and a portion of the District's unassigned reserves (to be reimbursed from the ASR Reserve Fund as it accumulates).

The Engineering Committee discussed this item on May 24, 2023 and recommended award of \$5,550,687.00 to COP Construction given the circumstances of the bidding climate and the importance of MAR as a management tool for the District and its member cities.

Mr. Kirkham motioned to approve the MAR SIBs Infrastructure construction contract to COP Construction in the amount of \$5,550,687.00. Ms. Degiorgio seconded the motion and the motion was passed unanimously.

Consider approval of Solids Removal Project 2023 contract

As part of LCWTP operation, solids accumulate in five drying basins. Periodically, solids are removed from the beds and disposed. There is a need in summer 2023 to remove solids from LCWTP Basins 2 and 3 in addition to material removed by staff from the grit basin. The Engineering Committee discussed this item during the May 24, 2023 committee meeting and recommended award by the full board of \$79,138.80 to Lyndon Jones Construction.

Ms. Degiorgio motioned to approve of the Solids Removal Project 2023 contract to Lyndon Jones Construction in the amount of \$79,138.80. Ms. Comarell seconded the motion and the motion was passed unanimously.

Consider approval of fiscal year 2024 procurements

The tentative fiscal year 2024 budget includes 14 capital projects and 8 non-routine O&M projects. Due to long lead times and cost escalations within the current economy, it is in the District's best interest to procure some of these items as early in the fiscal year as possible. Procurements were discussed with the Engineering Committee on May 24, 2023. The Engineering Committee recommended procurement of five items, pending adoption of the fiscal year 2024 budget. Details on the five items were provided in the board packet.

Mr. Milne motioned to approve fiscal year 2024 procurements of five items ensuring that the purchases are accounted for in the 2024 budget. Mr. Kirkham seconded the motion and the motion passed unanimously.

Consider election of officers

Mr. Kirkham motioned to approve elected officers as currently assigned, Ms. Pat Comarell as Secretary, Mr. John Kirkham as Vice Chair and Mr. Tom Godfrey as Chair. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Discuss and consider approval of board committee assignments

Mr. Kirkham motioned to continue with current board committee assignments. Mr. Mabey seconded the motioned and the motion passed unanimously.

Consider approval of Board Meeting minutes dated May 15, 2023

Mr. Mabey motioned to approve the Board Meeting minutes dated May 15, 2023. Mr. Kirkham seconded the motion and the motion passed unanimously.

Reporting/Scheduling items

Mr. Godfrey noted one correction to the calendar. The Salt Lake City Public Utilities Advisory Committee meeting is scheduled for June 29, 2023 at 7:30 a.m.

Water supply and demand update

Mr. Tietje presented an update on the water supply and demand. He stated that the water supply is settling down and the runoff will be manageable.

Other Business

Mr. Godfrey recognized four employee who reached service anniversaries, one promotion, and three new employees. The Board would like the management team to extend the Board's congratulations.

Items to be discussed at future meetings

No items were discussed.

Closed session

Legal counsel deemed it appropriate to go into closed session to discuss 1) pending or reasonably imminent litigation and; 2) strategy related to the purchase, exchange, or lease of real property, including water right(s) or water share(s), when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent

the District from completing the transaction on the best possible terms. Mr. Kirkham motioned to go into closed session. Mr. Milne seconded the motion and the motion passed unanimously. All board members were present; the following staff members were also present: Ms. Munsey, Mr. Winsor, Mr. Cook, Ms. Jackson, Mr. Allen, Mr. Stevens and Ms. Cepernich.

Mr. Kirkham motioned to go out of closed session. Mr. Milne seconded the motion and the motion passed unanimously.

Adjourn

At 6:02 p.m., the board meeting adjourned.

Tom Godfrey, Chair

Patricia Comarell, Secretary

unapproved