

**MONDAY, MARCH 16, 2009**

Minutes of the 728<sup>th</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, March 16, 2009 began at 3:30 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  
Josh DeBry, Controller  
Steve Stocking, O&M Manager  
Steve Slack, Assistant O&M Manager  
Cláudia Wheeler, Environmental Services Manager  
Wayne Winsor, Engineering Manager  
Annalee Munsey, Executive Assistant/HR Officer  
Gardner Olson, Project Engineer  
Ammon Allen, Project Engineer  
Scot Collier, I&E Supervisor  
Shawn Draney, Snow, Christensen & Martineau  
Jeff Niermeyer, Salt Lake City Public Utilities  
Tom Ward, Salt Lake City Public Utilities  
Scott Robertson, Lewis Young Robertson & Burningham, Inc.  
Alan Packard, Jordan Valley Water Conservancy District  
Christine Finlinson, Central Utah Water Conservancy District  
Mike Zuhl, R&R Partners

**Work Session Agenda**

1. Discuss fiscal year 2010 budget
2. Other

**Board Meeting Agenda**

1. Call to order
2. Public comment
3. Consider adoption of Resolution 1824 authorizing the refunding of the District's outstanding Water Revenue Bonds, Series 2002C and Water Revenue Bonds, Series 2003B; and related matters
4. Consider approval of construction contract for rehabilitation of waste wash water gates
5. Management Advisory Committee
  - a. Legislative update
6. Finance Committee
  - a. Deposit and investment report as of December 31, 2008
7. Conservation Committee
8. Consider ratification of Board committee appointments

9. Consider approval of Board Meeting Minutes dated February 23, 2009
10. Consider approval of Finance Committee Meeting Minutes dated March 4, 2009
11. Reporting/Scheduling items
12. Other Business
13. Items to be discussed at the next meeting
14. Closed session to discuss pending or imminent litigation
15. Adjournment

**Work Session Agenda**

**Discuss fiscal year 2010 budget**

Mr. DeBry presented an overview of the proposed Fiscal Year 2010 budget which included the following items:

- O&M budget increasing approximately 2.97% over prior budget
- Most expenses are based on a 3-year average
- Budget includes A-4 and A-8 at a true variable interest rate
- Tax revenues are maintained at the 0.00035 tax rate
- Revenues projections are based on water sales, tax revenues, member cities assessments, and other miscellaneous revenues
- Total Capital Budget \$6,425,580. Includes Land Acquisition Fund, Terminal Reservoir Replacement, Aquifer Storage and Recovery Implementation, and other capital projects.

**Other**

No other business was discussed.

**Board Meeting Agenda**

**Call to Order**

At 4:52 p.m. the Chair called the meeting to order and welcomed board members, staff and guests.

**Public Comment**

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

**Consider adoption of Resolution 1824 authorizing the refunding of the District's outstanding Water Revenue Bonds, Series 2002C and Water Revenue Bonds, Series 2003B; and related matters**

Mr. Scott Robertson provided the Board with a summary of the Finance Committee meeting. It is necessary for the District to refund the A-4 and A-8 bonds; however, the decision is whether the bonds should be refunded with a fixed or variable rate. The Finance Committee recommends refunding the bonds with a variable rate which would be effective for one year.

Mr. Kirkham motioned to approve Resolution 1824 authorizing the refunding of the District's outstanding Water Revenue Bonds, Series 2002C and Water Revenue Bonds, Series 2003B; and related matters; Mr. Godfrey seconded the motion, and the motion passed unanimously upon roll call:

Mr. Myers	-aye
Mr. Kirkham	-aye
Mr. Kapaloski	-aye
Mr. Buhler	-aye

Mr. Godfrey -aye  
Ms. Loveless -aye  
Mr. Milne -aye

**Consider approval of construction contract for rehabilitation of waste wash water gates**

Mr. Winsor reported on the status of the waste wash water gates at the Little Cottonwood Water Treatment Plant. There are twenty waste wash water gates at the plant which have been leaking. One of the gates has been repaired. The District expects to repair four to six of the gates in FY 2009 and the remaining gates would be repaired on FY 2010.

Mr. Godfrey moved to approve the construction contract for rehabilitation of waste wash water gates to Prime Machine for \$826,253.00; Ms. Loveless seconded the motion and it carried unanimously.

**Management Advisory Committee**

Mr. Zuhl provided an update on the legislative session that completed on March 7, 2009. Senate Bill 135 was passed by the legislature; however, it was modified to apply only to special service areas. It is anticipated that the sponsor of the legislation will revisit this bill in the future to include other local districts. The Board recommends the District has a plan in place to address this bill in the future.

The Board also recommends the District prepare for Senate Bill 18 which is the Utah Transparency Act. This bill anticipates that some of the District financial information will be available on either the State's or the District's website.

Mr. Zuhl also discussed the funding for water projects and the cuts made to the three revolving loans funds. The budget cuts to the loan funds impacted the funding for the Provo Reservoir Canal Enclosure Project.

**Finance Committee**

The Finance Committee reported that they had received and reviewed the deposit and investment report as of December 31, 2008.

**Conservation Committee**

The Conservation Committee met and discussed the Utah Water Check program provided by Utah State University. The District is considering entering into an agreement with Utah State University to provide funding for the program.

**Consider ratification of Board committee appointments**

Mr. Buhler was appointed as a member of the Finance Committee. Mr. Milne moved to ratify the Board Committee assignments; Mr. Kirkham seconded the motion and it passed unanimously.

**Consider approval of Board Meeting Minutes dated February 23, 2009**

Mr. Milne moved to approve the Board Meeting Minutes dated February 23, 2009; Mr. Godfrey seconded the motion and it carried unanimously.

Mr. Milne moved to approve the closed session Board Meeting Minutes dated February 23, 2009; Mr. Kapaloski seconded the motion and it passed unanimously.

**Consider approval of Finance Committee Meeting Minutes dated March 4, 2009**

Mr. Kirkham moved to approve the Finance Committee Meeting Minutes dated March 4, 2009; Mr. Buhler seconded the motion, and the motion passed unanimously.

**Reporting/Scheduling items**

Mr. Wilson reported that the Little Cottonwood Water Treatment Plant came on-line on March 2, 2009 and the Point of the Mountain Water Treatment Plant was shut down on March 16, 2009. There was a taste and odor event from Deer Creek Reservoir water and ozone levels were monitored and adjusted.

**Other Business**

Randy Sant from Sandy City will present to the Finance Committee on April 2, 2009 the Sandy Community Development Area (CDA). Pat Comarell will be invited to the Finance Committee meeting. The Board was invited to send any questions about the CDA to Mr. DeBry.

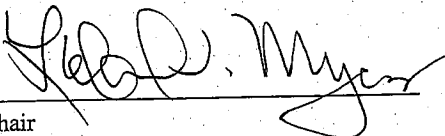
**Closed session to discuss pending or imminent litigation**

Legal counsel deemed it necessary to go into closed session for the purpose of pending or imminent litigation. Mr. Godfrey moved to go into closed session; Mr. Milne seconded the motion and the motion carried unanimously. Staff and guests were excused. All board members were present. Mr. Wilson, Mr. Draney, Ms. Munsey, Mr. DeBry, and Mr. Winsor also attended the closed session.

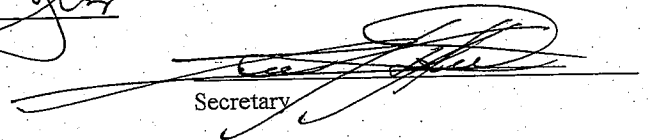
Mr. Kirkham motioned to go out of closed session; Mr. Godfrey seconded the motion and the motion passed unanimously.

**Adjournment**

At 6:02 p.m. Mr. Milne moved to adjourn the meeting; Mr. Godfrey seconded the motion, and it passed unanimously.

  
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Chair

  
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Secretary