

MONDAY, MAY 18, 2009

Minutes of the 730th meeting of the Metropolitan Water District of Salt Lake & Sandy

The Board Meeting of the Metropolitan Water District of Salt Lake & Sandy on Monday, May 18, 2009 began at 4:00 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
Michael DeVries, Assistant General Manager/IS Manager
Josh DeBry, Controller
Steve Slack, Assistant Operations & Maintenance Manager
Cláudia Wheeler, Environmental Services Manager
Wayne Winsor, Engineering Manager
Annalee Munsey, Executive Assistant/HR Officer
Ammon Allen, Project Engineer
Shawn Draney, Snow, Christensen & Martineau
Tom Ward, Salt Lake City Public Utilities
Rusty Vetter, Salt Lake City
Shane Pace, Sandy City Public Utilities
Richard Bay, Jordan Valley Water Conservancy District
Christine Finlinson, Central Utah Water Conservancy District
Mike Marchant, Brown & Caldwell
Mike Zuhl, R&R Partners
Mike Collins, Bowen Collins & Associates
Jim Garside, Big Ditch Irrigation Company
Evan Johnson, Big Ditch Irrigation Company
Alan Jensen, Stanley Consultants

Work Session Agenda

1. Discuss Salt Lake Aqueduct encroachment program
2. Other

Board Meeting Agenda

1. Call to order
2. Public comment
 - a. Big Ditch Irrigation Company
 - b. Other
3. Consider approval of Resolution 1828 for UT-WARN Agreement
4. Consider approval of Resolution 1829 for BOR Grant
5. Consider approval of changes to the capital improvement budget
6. Executive Committee report
7. Consider acceptance of financial reports
8. Consider approval of Board Meeting Minutes dated April 20, 2009
9. Reporting/Scheduling items

10. Other Business
11. Items to be discussed at the next meeting
12. Closed session
13. Consider approval of actions related to closed session matters.

Public Hearing Agenda (6:00 p.m.)

1. Call to order
2. Presentation of Fiscal Year 2010 Tentative Budget
3. Report on presentation to Salt Lake City Council
4. Public comment
5. Adjourn

Work Session

Discuss Salt Lake Aqueduct encroachment program

Mr. Winsor and the Engineering Department reviewed the encroachments along the Salt Lake Aqueduct and identified ten high priority encroachments. The top 10 encroachments were provided to the Board prior to the Work Session.

Mr. Draney reviewed the 1890 Act which states that an easement shall be reserved along all ditches and canals under authority by the United States. This easement also applies to aqueducts and pipelines. Mr. Draney also explained that easement is for the use, operation, maintenance, repair or replacement of the Salt Lake Aqueduct. The underlying fee owner can do whatever he/she wishes with their property so long as it does not unreasonably impact or interfere with the District's use of the 1890 Easement.

The Board discussed that encroachments will need to be reviewed on a case by case basis. It was also suggested that the District use the local university students to research and provide information on the types of trees and root systems that could cause structural damage to the aqueduct.

A communications plan is being prepared by the District which the Board members requested reviewing upon completion. The communications plan includes contacting the legislators and city councils. Mr. Kirkham recommended that some Trustees be involved in the meetings with the cities, state senators, and state representatives. The Board requested staff to prepare a recommended prioritization policy for dealing with encroachments which would address access to the District's fee title, protection of the integrity of the pipe, and the ability to replace the pipe.

Other

No other business was discussed.

Board Meeting

Call to order

At 5:08 p.m. the Chair called the meeting to order and welcomed board members, staff and guests.

Public comment

Mr. Evan Johnson, a Director for Big Ditch Irrigation Company, addressed the Board regarding the District's shares, assessments, and communications with Big Ditch Irrigation.

Consider approval of Resolution 1828 for UT-WARN Agreement

The UT-WARN is a mutual aid agreement among water and wastewater agencies; public and private. The intent of the agreement is for participating utilities to assist each other whenever possible, following a natural or man-made disaster.

Mr. Milne motioned to approve Resolution 1828 for UT-WARN Agreement; Mr. Kirkham seconded the motion, and the motion carried unanimously upon roll call:

Mr. Buhler	-aye
Mr. Godfrey	-aye
Mr. Kapaloski	-aye
Mr. Kirkham	-aye
Ms. Loveless	-aye
Mr. Milne	-aye
Mr. Myers	-aye

Consider approval of Resolution 1829 for BOR Grant

The Bureau of Reclamation is seeking proposals for cooperative projects that create water banks and markets. The objective is to help communities address the twenty-first century water challenges and ensure adequate water supplies now and into the future. Funding would be available through the Challenge Grant Program: Recovery Act of 2009, Water Marketing and Efficiency Grants. These grants provide cost shared funding for construction projects that make more efficient use of existing water supplies. The District's Aquifer Storage and Recovery Project meets the grants objectives very well.

The Board reviewed the resolution and recommended some changes to its wording. The resolution was revised to read, "The Board of Trustees of this District has reviewed the proposal for the Project, supports the Project, and authorizes staff to submit an application for the Project." Also updated was the sentence, "this District will negotiate *in good faith* a Cooperative Agreement with the Bureau of Reclamation for this District to provide the amount of funding and/or in kind contributions specified in the funding plan".

Mr. Kirkham motioned to approve Resolution 1829 for Bureau of Reclamation Challenge Grant Program with amendments noted; Mr. Kapaloski seconded the motion, and the motion carried unanimously upon roll call:

Mr. Myers	-aye
Mr. Godfrey	-aye
Mr. Kapaloski	-aye
Mr. Kirkham	-aye
Ms. Loveless	-aye
Mr. Milne	-aye
Mr. Buhler	-aye

Consider approval of changes to the capital improvement budget

In order to cover remaining charges and change orders on the LCWTP Onsite Improvements Project, the project needs a capital transfer totaling \$194,353.08. The transfer of \$99,353.08 from the Capital Contingency account will bring the contingency account to zero. Since the entire capital budget on the LCWTP Solids Handling project will not be exhausted during FY2009, staff recommended the remaining funds needed (\$95,000) to complete the LCWTP Onsite Improvement project be transferred from the LCWTP Solids Handling project.

Mr. Milne moved to approve changes to the capital improvement budget; Ms. Loveless seconded the motion and it carried unanimously.

Executive Committee report

Mr. Myers reported on the Executive Committee meeting. The committee met with Mr. LeGrand Bitter of the Utah Association of Special Districts and Mr. Mike Zuhl, of R&R Partners, to discuss a lobbying strategy for the Local District Taxing Authority legislation. The Board addressed this issue with the Salt Lake City Council and the Council did not support the idea of appointing elected officials from the city to the District's Board of Trustees.

Consider acceptance of financial reports

Mr. Godfrey motioned to accept the March 2009 financial reports; Mr. Kirkham seconded the motion, and the motion passed unanimously.

Consider approval of Board Meeting Minutes dated April 20, 2009

Mr. Milne moved to approve the Board Meeting Minutes dated April 20, 2009 with corrections noted; Mr. Godfrey seconded the motion and the motion carried unanimously.

Reporting/Scheduling items

Mr. Myers referred the Board to the project reports included in the packet. The Board set dates for the next Management Advisory, Finance, Executive, and Engineering Committee meetings.

Mr. Wilson reported on Provo River Canal Enclosure Project discussions, the Wasatch Canyons Tomorrow open houses, and Water Week.

Other Business

No other business was discussed.

Closed session

Legal counsel deemed it necessary to go into closed session for issues relating to litigation. Mr. Milne motioned to go into closed session; Mr. Godfrey seconded the motion and it passed unanimously. Staff and guests were excused. All board members were present including Mr. Wilson, Mr. DeVries, Mr. Draney, Ms. Munsey, Mr. DeBry, and Mr. Winsor.

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

Consider approval of actions related to closed session matters

Mr. Kirkham motioned to approve purchase of Serdar property for \$190,000.00 and the transfer of funds within the capital budget in the amount of \$200,000.00 to complete the transaction; Mr. Buhler seconded the motion and the motion passed unanimously.

Mr. Kirkham motioned to authorize the General Manager and General Counsel to release claims against TM Cabela's contractors and engineers arising out of the shutdown of the Provo River Canal in the summer of 2005; Mr. Milne seconded the motion and it carried unanimously.

Public Hearing

Call to order

Mr. Myers called the Public Hearing to order.

Presentation of Fiscal Year 2010 Tentative Budget

Mr. Myers reported that the FY 2010 Tentative Budget has remained the same.

Report on presentation to Salt Lake City Council

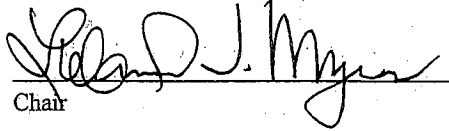
Mr. Myers, Ms. Loveless, Mr. Kapaloski, and Mr. Godfrey attended the budget presentation to the Salt Lake City Council.

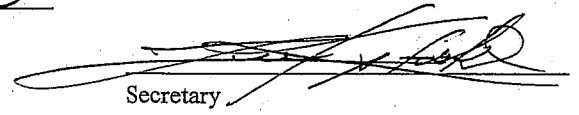
Public comment

Mr. Richard Bay, General Manager at Jordan Valley Water Conservancy District, requested the District reconsider the proposed water fee schedule, specifically the treatment charge of surplus water.

Adjournment

At 7:00 p.m. Mr. Buhler motioned to adjourn; Mr. Kirkham seconded the motion, and it passed unanimously.


Chair


Secretary

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF
THE INTERLOCAL AGREEMENT FOR
UTAH WATER/WASTEWATER AGENCY RESPONSE NETWORK

RESOLUTION NO. 1828

WHEREAS, the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy ("MWDSLS") has determined that it is desirable, and in the best interests of the public to promote cooperation among the Utah Water/Wastewater Agencies (UT-WARN) members in times of disaster or emergency; and

WHEREAS, MWDSLS desires to enter into an agreement among the UT-WARN members to provide assistance in times of natural disaster or emergency; and

WHEREAS, MWDSLS and the members of UT-WARN are authorized by the Interlocal Cooperation Act to establish and contribute to such a common effort; and

WHEREAS, the Board of Trustees has determined that it is reasonable and desirable to authorize execution and delivery of an Interlocal Agreement among MWDSLS and the other members of UT-WARN in order to accomplish this goal.

NOW, THEREFORE, in consideration of the foregoing recitals, it is hereby

RESOLVED, that the Interlocal Mutual Aid Agreement for Utah Water and Wastewater Agencies ("Agreement") in the form attached hereto, is hereby authorized and approved, and the General Manager is hereby authorized, empowered and directed to execute the same on behalf of MWDSLS. Upon execution the Agreement shall be filed with the official records of MWDSLS; and

FURTHER RESOLVED that Shawn E. Draney is hereby authorized by MWDSLS to review the Agreement as to proper form and compliance with applicable law pursuant to '11-13-202.5(3), Utah Code Ann.; and

FURTHER RESOLVED that the General Manager shall take all actions necessary or reasonably required to give effect to, and consummate the actions contemplated in the Agreement, and shall take all necessary actions to carry out the execution and delivery of said Agreement and the performance of MWDSLS thereunder.

ADOPTED this 18th day of May, 2009, by the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy upon roll call as follows:

David Buhler, Trustee	-aye
Tom Godfrey, Trustee	-aye
Lee Kapaloski, Trustee	-aye
John S. Kirkham, Trustee	-aye
Kathy W. Loveless, Trustee	-aye
Donald Y. Milne, Trustee	-aye
Leland J. Myers, Trustee	-aye

METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY

RESOLUTION NO. 1829

WHEREAS, the United States Department of Interior, Bureau of Reclamation, under its Challenge Grant Program: Recovery Act of 2009, Water Marketing and Efficient Grants, will make funding available to qualifying applicants on a matching fund for certain qualifying water banks and water markets projects; and

WHEREAS, the Metropolitan Water District of Salt Lake & Sandy has identified a Project that exemplifies the objectives of the Challenge Grant Program: Recovery Act of 2009, Water Marketing and Efficiency Grants in its Aquifer Storage and Recovery Project ("Project").

NOW THEREFORE, it is hereby **RESOLVED** by the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy as follows:

The Board of Trustees of this District has reviewed the proposal for the Project, supports the Project, and authorizes staff to submit an application for the Project.

This District is capable of providing the amount of funding and/or in kind contributions specified in the funding plan.

If selected for a Challenge Grant Program: Recovery Act of 2009, Water Marketing and Efficient Grants, this District will negotiate in good faith a Cooperative Agreement with the Bureau of Reclamation for this District to provide the amount of funding and/or in kind contributions specified in the funding plan, and will work with the Bureau of Reclamation to enter into such Cooperative Agreement within established deadlines.

ADOPTED this 18th day of May, 2009 by the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy upon roll call as follows:

Leland J. Myers, Trustee	-aye
Tom Godfrey, Trustee	-aye
Lee Kapaloski, Trustee	-aye
John S. Kirkham, Trustee	-aye
Kathy W. Loveless, Trustee	-aye
Donald Y. Milne, Trustee	-aye
David L. Buhler, Trustee	-aye