

**MONDAY, FEBRUARY 22, 2010**

Minutes of the 738<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, February 22, 2010 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:

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

Also present:

Michael Wilson, General Manager  
Michael DeVries, Assistant General Manager/Information Services Manager  
Josh DeBry, Contoller  
Steve Slack, Assistant Operations & Maintenance Manager  
Wayne Winsor, Engineering Manager  
Annalee Munsey, Executive Assistant/HR Officer  
Cláudia Wheeler, Environmental Services Manager  
Shawn Draney, Snow, Christensen & Martineau  
Tom Ward, Salt Lake City Public Utilities  
Shane Pace, Sandy City Public Utilities  
Mike Collins, Bowen Collins & Associates  
Chris Finlinson, Central Utah Water Conservancy District  
Steve Cain, Provo River Water Users Association  
Mike Marchant, Brown and Caldwell  
Shannon Bond, Stanley Consultants  
Alan Packard, Jordan Valley Water Conservancy District

**Board Meeting Agenda**

1. Call to order
2. Public comment
3. Consider ratification of Provo River Project Subscription Contract
4. Consider approval of resolution 1837 regarding the proxy for the annual meeting of the Provo River Water Users Association
5. Engineering Committee:
  - a. Consider approval of General Services Agreement(s) for surveying services
  - b. Consider approval of changes to chapter 16 of the District's Policies and Procedures
  - c. Reporting items
6. Conservation Committee report
7. Consider acceptance of financial reports
8. Consider approval of Board Meeting Minutes dated January 11, 2010
9. Reporting/Scheduling items
  - a. Legislative update
  - b. Budget schedule
10. Other Business
11. Items to be discussed at the next meeting
12. Closed session (if necessary)
13. Adjourn

## Board Meeting

### Call to order

At 4:36 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 ratification of Provo River Project Subscription Contract

Mr. Wilson reviewed the four subscriptions contracts between the District and the Provo River Water Users' Association. Changes were made to the 46,000 shares subscription contract. It was noted that Lehi City changed its capacity from 23 cfs to 9 cfs which impacts the pro ration. This translates to a \$600,000 increase to the District. Mr. Wilson reported that by February 24<sup>th</sup> the financing for the Provo Reservoir Canal Enclosure project will be complete as well as the construction contract awarded.

Mr. Godfrey motioned to ratify all Provo River Project Subscription Contracts as amended; Ms. Loveless seconded the motion and it passed unanimously.

### Consider approval of Resolution 1837 regarding the proxy for the annual meeting of the Provo River Water Users Association

Mr. Myers reported that the Executive Committee met and is not recommending any changes to the existing directors of the Provo River Water Users Association.

Mr. Kirkham motioned to approve Resolution 1837 regarding the proxy for the annual meeting of the Provo River Water Users Association; Mr. Kapaloski seconded the motion, and the motion passed unanimously upon roll call:

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

### Consider approval of General Services Agreement(s) for surveying services

Engineering staff has been working to confirm ownership and boundaries of tracts within the Salt Lake Aqueduct (SLA) corridor. Two surveyors were selected and awarded GSA contracts in August of 2009. Prior to award, it was expected that each survey assignment would take three to four weeks to complete. However, the complex and long history of these tracts has shown surveys to take substantially longer. Staff recommends awarding GSA's to Stanley Consultants and Project Engineer Consultants (PEC) to facilitate survey of the SLA corridor. The additional of two GSA's will not financially impact the approved budget.

Mr. Milne motioned to approve the General Services Agreements for surveying services; Ms. Loveless seconded the motion and the motion passed unanimously.

### Consider approval of changes to chapter 16 of the District's Policies and Procedures

Mr. Winsor reported on the analysis conducted by Bowen, Collins & Associates. The tree and vegetation analysis reviewed the landscape within 20-feet of the Salt Lake Aqueduct (SLA), either side, for the entire SLA corridor. The following conclusions were provided:

trees restrict access and roots may be a concern where the SLA has five feet or less cover. The report recommended that the SLA be monitored from within for roots where the aqueduct is shallow, remove existing trees and vines within 20-feet of the SLA centerline, remove all saplings and any new growth, and continue inspections of the pipeline. Based on the findings of the tree and vegetation analysis, staff recommends changes to Policy and Procedure (P&P) Chapter 16-7 which would not allow new trees or vines within 20 feet either side of the SLA corridor.

Mr. Kirkham motioned to approve the changes to chapter 16 of the District's P&P, with amendments noted; Mr. Kapaloski seconded the motion and it passed unanimously.

#### **Conservation Committee report**

Mr. Wilson summarized the conservation committee meeting. The State of Utah selected R&R Partners as the media agent for the Governor's Water Conservation Media Campaign which was the recommendation of the District and the member cities. The Conservation Committee discussed the funding for the Utah State University water audits. Staff will provide a list of Water Week activities in next month's board packet.

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

Mr. Milne motioned to accept the December 2009 financial reports; Mr. Buhler seconded the motion, and the motion passed unanimously.

#### **Consider approval of Board Meeting Minutes dated January 11, 2010**

Mr. Milne motioned to approve the Board Meeting Minutes dated January 11, 2010; Mr. Godfrey seconded the motion and it carried unanimously.

#### **Reporting/Scheduling items**

Mr. Wilson reported on the legislative activities. The adverse possession legislation, Senate Bill 103, has passed both the House and the Senate. Senate Bill 172 has been expanded to include all local districts. The bill impacts the ability of local districts to levy taxes.

The Management Advisory Committee and Finance Committee meeting has been rescheduled for March 11<sup>th</sup>. The Board was referred to the budget schedule.

#### **Other Business**

No other business was discussed.

### **Public Hearing**

#### **Open Public Hearing**

Mr. Kirkham motioned to open the public hearing; Mr. Godfrey seconded the motion and the motion carried unanimously.

#### **Presentation of River Oaks withdrawal process**

Mr. Wilson reported on the River Oaks withdrawal process. An area known as the River Oaks subdivision (approximately 1600 East Creek Road) is currently within Sandy City boundaries (paying property taxes to MWDSLS) while receiving retail water service from Jordan Valley Water Conservancy District. Approximately 30-40 properties are included in this subdivision. In January 2009, MWDSLS agreed with Sandy City to proceed with the withdrawal process.

On January 11, 2010 the Board approved resolution 1836 which initiated the withdrawal process of the River Oaks subdivision as outlined by state statute. Registered voters in the River Oaks subdivision received a public hearing notice on February 1, 2010 as well as notices were posted in the subdivision. This hearing will allow the public to ask questions and obtain further information about the proposed withdrawal and issues raised by it and allow for any interested person to address the board of trustees concerning the proposed withdrawal. Following the public hearing, the board on its next scheduled board meeting (March 22, 2010) will consider another resolution to approve or reject the withdrawal. It is anticipated that the process will be complete as early as April or May.

**Public comment**

The Chair invited any public comment. Mr. Bayne McMillan commented that the residents of the River Oaks subdivision are also taxed by Jordan Valley Water Conservancy District. Everyone agrees that there should not be two taxing entities. The residents are appreciative of this resolution.

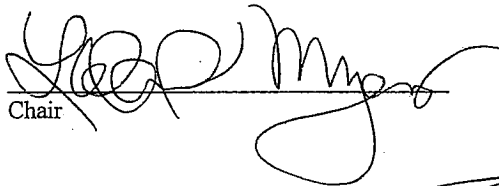
**Close Public Hearing**

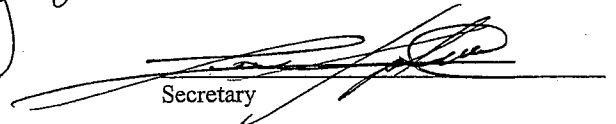
Mr. Buhler motioned to close the public hearing; Mr. Godfrey seconded the motion and it passed unanimously.

Mr. Kirkham motioned for the staff and legal counsel to prepare a resolution for the withdrawal of the River Oaks subdivision for approval at next month's Board meeting; Ms. Loveless seconded the motion and it carried unanimously.

**Adjourn**

At 6:07 p.m. Mr. Godfrey motioned to adjourn; Mr. Myers seconded the motion and the motion passed unanimously.

  
Chair

  
Secretary

**METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY  
RESOLUTION NO. 1837**

**WHEREAS**, the Metropolitan Water District of Salt Lake & Sandy ("District") owns 61,700 shares of Provo River Water Users Association ("Association") stock, which is among the most important assets of the District; and

**WHEREAS**, the Association directors are elected each year at the annual stockholders' meeting; and

**WHEREAS**, the Association's annual stockholders' meeting is scheduled for February 25, 2010; and

**WHEREAS**, the Board of Trustees of the District has determined that it is in the best interests of the District for this District to formally appoint a representative and proxy to vote the District's Association shares at the 2010 annual Association stockholders' meeting, according to the written instructions contained in this Resolution.

**NOW THEREFORE** it is hereby **RESOLVED**, that the Board of Trustees hereby appoints Michael L. Wilson, the District's General Manager (or a member of the District's management staff as selected by Michael L. Wilson) as the District's representative and proxy for purposes of voting all Association shares owned by the District on the issues to be voted by stockholders of the Association at the 2010 annual stockholders' meeting. Regarding the election of Association directors, the District's representative and proxy is directed to vote all Association shares of the District as directed in this Resolution.

Bylaw 3, Section 2 of the Bylaws of the Provo River Water Users Association provides that Class A stockholders of the Association are those members, "whom own 10,000 or more shares in single ownership." The Class A stockholders consist of just two stockholders, the District, which holds 61,700 shares, and the Provo Reservoir Water Users Company ("PRWUCo."), which holds 16,000 shares. Bylaw 3, Section 2 of the Bylaws of the Provo River Water Users Association further provides that the "Class "A" voting group shall elect one (1) director for each 10,000 shares of stock owned by members of this group, and also one (1) director for any additional major fraction (more than half or 5,001 or more) of 10,000 shares, out of the total of eleven (11) directors provided for in these Articles of Incorporation, provided, that each Class "A" member shall be permitted to elect at least one (1) director." Therefore, the Class A stockholders as a group elect eight (8) of eleven (11) Association directors, except that each Class A stockholder has the right to name at least one director as a matter of right. We instruct and direct our representative and proxy to nominate and elect the following as Class A directors of the Association in addition to the one director to be named as a matter of right by PRWUCo.:

- (1) Genevieve Atwood
- (2) Tom Godfrey
- (3) Don Milne
- (4) Jeff Niermeyer
- (5) Shane Pace
- (6) Lon Richardson
- (7) Michael L. Wilson

If the representative and proxy of the District is called upon to designate one of the above seven nominees as a director who is named as a matter of right by this District, then Michael L. Wilson shall be so designated.

In addition, Bylaw 3, Section 2 of the Bylaws of the Provo River Water Users Association provides that Class B stockholders "shall consist of members each of whom owns less than 10,000 shares." Bylaw 3, Section 2 of the Bylaws of the Provo River Water Users Association further provides that "Class "B" members shall as a group elect one (1) director for each 10,000 shares owned by members of this class, and one (1) director for any additional major fraction (more than

half, or 5001 or more shares) of 10,000 shares, out of the total of eleven (11) directors provided for in the Articles of Incorporation." There are two Association directors elected by Class B stockholders.

Bylaw 3, Section 2 of the Bylaws of the Provo River Water Users Association further provides that "[i]f the owners of stock in the voting groups as above designated do not hold sufficient stock to entitle them to elect in the aggregate a full board of eleven (11) directors as herein provided by following the procedures stated above, then the additional directors required to make up the number provided for shall be elected as directors at large by a majority of all the stock of both voting groups represented at the annual meeting of the members." There is, therefore, one (1) Association director at large. We instruct and direct our representative and proxy to nominate and elect the following as the at large director of the Association:

(1) LeRoy Hooton

This RESOLUTION adopted by a vote of the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy on the 22nd day of February, 2010.

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