

Tab 3

Environmental Committee Report



Consider approval of addendum to the ODT Lease Agreement

Background:

Metro Water entered into a lease agreement with the Great Salt Lake Trust for 2,500 AF of ODT water for 5 years, renewable for another five years. The 10-year fixed time change application was approved on February 9, 2026, nearly a year after the board approved the agreement. The approval expires on February 28, 2036.

Marcelle Shoppe, National Audubon Society, reached out to request an update to the terms of the lease agreement. Specifically, they want a 10-year fixed term, instead of a 5-year term (with the option to renew). They also proposed a 4% escalation after 5 years.

The following table shows the current lease costs:

Year	Per Acre-Foot Amount (based on 2,500 AF)	
2025	\$240.00	\$600,000 (no water delivered)
2026	\$247.20	\$618,000
2027	\$254.62	\$636,550
2028	\$262.25	\$655,625
2029	\$270.12	\$675,300
2030	\$278.23	\$695,575
2031	\$286.57	\$716,425
2032	\$295.17	\$737,925
2033	\$304.02	\$760,050
2034	\$313.15	\$782,875

The following table shows the proposed lease costs:

Year	Per Acre-Foot Amount (based on 2,500 AF)	
2026	\$247.20	\$618,000
2027	\$254.62	\$636,550
2028	\$262.25	\$655,625
2029	\$270.12	\$675,300
2030	\$278.23	\$695,575
2031	\$289.35	\$723,375
2032	\$300.93	\$752,325
2033	\$312.97	\$782,425
2034	\$325.48	\$813,700
2035	\$338.50	\$846,250
2036 (2/28/36)	\$352.04	\$880,100

Both Salt Lake City and Sandy City support the proposed changes to the agreement.



Committee Activity:

The Environmental Committee will review the addendum during the August 11, 2026 committee meeting, which will be held after the printing of the board packet. Their recommendation will be shared at the August board meeting.

Recommendation:

Recommend approval by the full board of the addendum to the ODT Lease Agreement.

Attachment:

- Addendum to Lease Agreement

Last Update: August 7, 2026

ADDENDUM TO LEASE AGREEMENT

This ADDENDUM TO LEASE AGREEMENT ("**Addendum**") is entered into on this ___ day of _____ 2026, among the METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY, a Utah special district ("**District**"); UTAH DIVISION OF WILDLIFE RESOURCES ("**DWR**"), an agency of the state of Utah within the Utah Department of Natural Resources; the UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS ("**FFSL**"), an agency of the State of Utah within the Utah Department of Natural Resources; the NATIONAL AUDUBON SOCIETY, INC. ("**NAS**"), a New York non-profit corporation; and THE NATURE CONSERVANCY ("**TNC**"), a District of Columbia non-profit corporation. Individually, or collectively, these entities may be referred to as a "**Party**" or the "**Parties**" as the context may require. DWR and FFSL may also be referred to collectively as the "**Lessees**" and NAS and TNC may be referred to as the "**Co-managers**."

RECITALS

A. The Parties entered into a Lease Agreement dated March 6, 2025, which sets the terms and conditions on which the District will lease some or all of its Ontario Drain Tunnel ("**ODT**") or Replacement Water for use in GSL for Conservation Purposes.

B. Following execution of the Agreement, and as provided for in the Agreement, the District and the Lessees filed with the Utah Division of Water Rights a 10-year fixed time change application seeking approval for the conveyance and use of ODT water to GSL (the "**Application**"). The Application was approved on February 9, 2026. That approval expires on February 28, 2036.

C. Due, in part, to the timing of the approval of the Application, the Parties desire to amend certain aspects of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, agreements, representations and warranties contained herein, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the Parties hereby amend the Agreement as follows:

ADDENDUM TO AGREEMENT

1. Term and Termination. Section 6 of the Agreement is amended to provide, in full:

1.1. The Term of the Agreement is March 6, 2025, through February 28, 2036.

1.2. Except as otherwise provided herein, the Co-managers may terminate this Agreement at any time by sending one year's prior written notice to the other Parties if: (i) JSSD exercises its right to use the ODT water and cannot provide sufficient Replacement Water to satisfy the terms of the Agreement; (ii) circumstances that are not contemplated in the Agreement prevent the delivery

or distribution of the Available ODT Water to GSL; or (iii) the total Lease Costs exceed \$8,000,000.00 during the Term.

2. Lease Costs. Section 5.1 of the Agreement is amended to provide, in full:

For each acre-foot of Available ODT Water delivered to the Jordan River under Section 4, the Co-managers, acting on behalf of GSLWET, will cause GSLWET to pay the District the following per-acre-foot amounts per year (the “**Lease Costs**”) as provided in Section 5.3.

Year	Per Acre-Foot Amount
2026	\$247.20
2027	\$254.62
2028	\$262.25
2029	\$270.12
2030	\$278.23
2031	\$289.35
2032	\$300.93
2033	\$312.97
2034	\$325.48
2035	\$338.50
2036	\$352.04

The remaining terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have duly executed this Addendum as of the Effective Date.

[execution on following pages]

METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY

By: _____

Name: Annalee Munsey

Its: General Manager

Date: _____

UTAH DIVISION OF WILDLIFE RESOURCES

By: _____

Name: _____

Its: _____

Date: _____

Approved As to Form

DEREK BROWN
Utah Attorney General

By: Charles Lyons

Its: Assistant Attorney General, Counsel for the Utah Division of Wildlife

Date: _____

UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS

By: _____

Name: _____

Its: _____

Date: _____

Approved As to Form

DEREK BROWN
Utah Attorney General

By: Emma K. Whitaker

Its: Assistant Attorney General, Counsel for the Utah Division of Forestry, Fire and State Lands

Date: _____

NATIONAL AUDUBON SOCIETY

By: _____

Name: _____

Its: _____

Date: _____

THE NATURE CONSERVANCY

By: _____

Name: _____

Its: _____

Date: _____