

MONDAY, JANUARY 23, 2023

Minutes of the 868th meeting of the Metropolitan Water District of Salt Lake & Sandy Board of Trustees held Monday, January 23rd, 2023 at 4:43 p.m. electronically via Zoom webinar.

The following trustees attended the board meeting virtually:

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

The following trustees were excused:

John S. Kirkham	-Vice Chair
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The following staff and guests attended the board meeting virtually:

Michael DeVries, General Manager
Annalee Munsey, Assistant General Manager
Wayne Winsor, Chief Engineer & Assistant General Manager
Ryan Nicholes, IT Manager
Gordon Cook, Maintenance Manager
Sonya Shepherd, HR Program Manager
Cláudia Bauleth, Laboratory Manager
Matthew Tietje, Operations Manager
Ammon Allen, Engineering Supervisor
Kelly Stevens, Senior Engineer
Breana Jackson, Executive Assistant
Josh Croft, Accountant
Shawn Draney, Snow, Christensen & Martineau
Dani Cepernich, Snow, Christensen & Martineau
Jesse Stewart, Salt Lake City Public Utilities
Stephanie Duer, Salt Lake City Public Utilities
Tom Ward, Sandy City Public Utilities
Abi Holt, Sandy City Public Utilities
Keith Denos, Provo River Water Users Association
Jeff Budge, Provo River Water Users Association
Mike Wilson, CRS Engineers
Lindsey Nielsen, Central Wasatch Commission
Blake Perez, Central Wasatch Commission
Johnathan Ward, Zions Public Finance
Dan Hartman, Hartman Management Group
Dr. Kelly Kopp, Utah State University
Jeremy Williams, Hazen and Sawyer
Steve Van Maren, Sandy City resident

Work Session Agenda

1. Central Wasatch Commission update
2. Funding for SLAR-CC Project and other capital improvement needs
3. Utah State University water audits program report
4. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. Legislative update
4. Engineering Committee report

- a. Consider approval of Amendment 1 to SLAR-CC Project professional services scope
- b. Consider approval of Water Infrastructure Finance and Innovation Act funding application
- c. Consider approval of capital budget transfer
- d. Reporting items
5. Environmental Committee report
 - a. Consider approval of Utah State University water audits program for 2023
 - b. Reporting items
6. Executive Committee report
 - a. Consider approval of Ontario Drain Tunnel water exchange agreement
7. Consider approval of Board Meeting minutes dated December 5, 2022
8. Consider acceptance of financial reports
9. Reporting/Scheduling items
 - a. Water supply and demand update
 - b. Quarterly check register, electronic payments, and credit card expenditures reports provided to Finance Committee for review
 - c. Annual compliance report
10. Other business
11. Items to be discussed at future meetings
12. Closed session
 - a. Pending or reasonably imminent litigation
 - b. Character, competence, or health of an individual
13. Adjourn

Work Session

Central Wasatch Commission update

Ms. Munsey introduced Mr. Blake Perez and Ms. Lindsey Nielsen with the Central Wasatch Commission (CWC). Mr. Perez explained the purpose, origins, and membership benefits of the CWC. He then reviewed the projects accomplished by the commission. Ms. Nielsen reviewed the Environmental Dashboard on the CWC's website. This resource concentrates on five environmental elements: air quality and climate, geology and soils, vegetation communities, water, and wildlife. She explained ways to utilize the dashboard and how it continues to evolve. Ms. Nielsen described the Short-Term Projects Program, a grant program in which the CWC has been able to fully or partially fund worthwhile small projects that satisfy at least one criteria set by the Mountain Accord. She then highlighted the Central Wasatch National Conservation Recreation Area Act (CWNCRA), a draft consensus-based bill that protects watersheds and preserves recreational activity from population growth in the Salt Lake area.

Funding for SLAR-CC Project and other capital improvement needs

Mr. Winsor explained funding strategies for the Cottonwoods Connection Project. Staff, with Hazen & Sawyer, identified potential funding options including grants and loans for the project. The Water Infrastructure Finance and Innovation Act (WIFIA) is being recommended as a preferred funding source given the timing of project construction, resources required, and favorable financing conditions.

Mr. Winsor then reviewed the upcoming short-term and long-term projects that will also need funding. He explained additional information on funding strategies including the amount of WIFIA funds the District should seek and for what project(s) it could be applied. Mr. Winsor reviewed the options for funding the remaining portions of projects.

Mr. Johnathan Ward provided the board with an update on current interest rates. He compared this years' rates to past years. Mr. Ward then reviewed the recent municipal bond market outlook and how this would affect bonding opportunities.

Utah State University water audits program report

Dr. Kelly Kopp reviewed the 2022 Water Check Program report, the water check process, including changes and progress. Additional staff was hired and a new system was established for scheduling. She explained the progress of the residual water check requests from 2021 and the new 2022 requests.

Board Meeting

Call to order

At 4:43 p.m. the Chair called the meeting to order and welcomed board members, staff, and visitors.

Public comment

No comments were made by the public.

Legislative update

Mr. Dan Hartman provided the board with an update on the current legislative session. He highlighted House Bills and Senate Bills that could affect the District. Mr. Hartman then reviewed bills that are currently in progress and will be released to the public soon.

Consider approval of Amendment 1 to SLAR-CC Project professional services scope

On June 13, 2022 the Board approved a professional services agreement for \$2,355,136 to Hazen and Sawyer to design the Salt Lake Aqueduct Replacement – Cottonwoods Conduit Project (Cottonwoods Connection). Six additional tasks have been identified in the agreement amendment. The draft amendment has been reviewed by District and Salt Lake City staff. Mr. Winsor explained the six tasks and the total additional funding.

The Engineering Committee discussed Amendment 1 on January 10, 2023 and recommends amending the SLAR-CC professional services project scope to include \$611,162 for the Amendment 1 tasks.

Mr. Milne motioned to approve amendment of the SLAR-CC professional services project scope to include \$611,162 for Amendment 1 tasks. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of Water Infrastructure Finance and Innovation Act funding application

WIFIA funding is being recommended as a preferred funding source for the Cottonwoods Connection Project as presented during the work session. Additional funding could be added to the loan total to support high-priority District projects. Staff narrowed the WIFIA funding options to three choices that were discussed with the Engineering Committee on January 10, 2023. Staff recommends option three: WIFIA funding for \$35,200,000 to cover 49% of two priority projects with recommended completion before 2028, plus the District's share of the SLA Seismic Stability Project.

Mr. Mabey motioned to approve option three: authorize staff to pursue \$35,200,000 in WIFIA funding for the Cottonwoods Connection and other project work. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Consider approval of capital budget transfer

To pursue WIFIA funding, staff will seek consulting services when preparing the application. If approved, a consultant will be selected and a fee will be negotiated in compliance with state procurement code. Staff is anticipating a cost of \$100,000.

The District received an invoice \$80 higher than budgeted from the Provo River Water Users Association for Provo River Project Capital Expenditures. Staff seeks funds to be

transferred into this account to cover the overage. The source of the total proposed transfer of \$100,080 would be a portion of the Little Dell Capital Improvements budget that will not be spent in FY 2023.

Ms. Comarell motioned to approve the capital transfer \$100,080 to fund preparation of the WIFIA application and the Provo River Project Capital Expenditures. Mr. Milne seconded the motion and the motion passed unanimously.

Reporting Items

Mr. Godfrey welcomed questions regarding the capital projects report. No comments were made.

Consider approval of Utah State University water audits program for 2023

The Utah State University water audits program was presented during the work session. The contract year for the program begins February 1 and ends January 31. The Environmental Committee met on December 6, 2022 and discussed the 2023 budget for the water audit program. The committee supports keeping the third water check team in order to reach interested residents and CII entities in both cities. The committee recommends an amount not to exceed \$116,000 for total compensation for services performed in 2023.

Ms. Degiorgio motioned to approve an amount not to exceed \$116,000 for total compensation for water audit services performed in 2023. Ms. Cromer seconded the motion and the motion passed unanimously.

Reporting items

Mr. DeVries referenced the Environmental Committee reporting items included in the board packet.

Consider approval of Ontario Drain Tunnel water exchange agreement

District counsel and staff have been negotiating an annual water exchange whereby Sundance Mountain Resort (Sundance) would use 60 acre-feet (AF) of the District's Ontario Drain Tunnel (ODT) water for snowmaking. Sundance would pay Provo City for the water, and the Metropolitan Water District of Provo would provide the District 60 AF of its Provo River Project (PRP) allocation. Additionally, ODT snowmaking return flows would be available for the District's use. This is a temporary exchange agreement that would expire after the 2023-2024 ski season.

The Executive Committee reviewed the proposed exchange agreement on January 10, 2023 and recommends approval.

Ms. Cromer motioned to approve of the proposed ODT temporary water exchange agreement. Mr. Milne seconded the motion and the motion carried unanimously.

Consider approval of Board Meeting minutes dated December 5, 2022

Ms. Cromer had noted a name that needs to be changed in the minutes.

Mr. Milne motioned to approve the Board Meeting minutes dated December 5, 2022 with the noted change. Ms. Cromer seconded the motion and the motion passed unanimously.

Consider acceptance of financial reports

Mr. Milne motioned to accept the October 2022 financial reports. Ms. Comarell seconded the motion and the motion passed unanimously.

Reporting/Scheduling items

Mr. Tietje provided a water supply and demand update for the board. He reviewed the snow water equivalent, precipitation, and nearby lake levels. Mr. Tietje showed a projection for the spring water supply when looking at varying weather conditions.

Mr. DeVries referenced the Annual Compliance Report. Mr. Godfrey welcomed any questions. No comments were made.

Other business

No other business was discussed.

Items to be discussed at future meetings

No items were discussed.

Closed Session

Mr. Milne motioned to go into closed session to discuss pending or reasonably imminent litigation. Ms. Comarell seconded the motion and the motion passed unanimously. All board members were present with the exception of Mr. Kirkham; the following staff were also present: Mr. DeVries, Ms. Munsey, Mr. Winsor, Ms. Jackson, Mr. Nicholes, Mr. Draney, and Ms. Cepernich.

The board proceeded in closed session to discuss the character, competence, or health of an individual. All board members were present with the exception of Mr. Kirkham. Mr. DeVries was also present.

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

Adjourn

At 6:06 p.m. the board meeting adjourned.

Tom Godfrey, Chair

Patricia Comarell, Secretary