

Tab 6

MONDAY, AUGUST 12, 2024

Minutes of the 885th meeting of the Metropolitan Water District of Salt Lake & Sandy Board of Trustees held Monday, August 12, 2024 at 4:30 p.m. at 3430 E Danish Road, Cottonwood Heights, UT 84093.

The following trustees attended the board meeting:

Tom Godfrey	-Chair
John S. Kirkham	-Vice Chair
Patricia Comarell	-Secretary
John H. Mabey, Jr.	-Trustee
Cindy Cromer	-Trustee

The following trustees were excused from the board meeting:

Donald Y. Milne	-Trustee
Joan Degiorgio	-Trustee

The following staff and guests attended the board meeting:

Annalee Munsey – General Manager
Wayne Winsor, Assistant General Manager – Chief Administrative Officer
Gordon Cook, Assistant General Manager – Chief Operating Officer
Darin Klemin, IT Manager
Ammon Allen, Engineering Manager
Kelly Stevens, Senior Engineer
Nathan Scown, Operations Manager
Mark Sarvela, Assistant Operations Manager
Jeff Matheson, Laboratory Manager
Sonya Shepherd, HR Manager
Steve Slack, Maintenance Manager
Eric Sorensen, Water Resources Manager
Josh Croft, Accountant
Breana Jackson, Executive Administrator
Jeff Budge, Provo River Water Users Association
Mike Whimpey, Central Utah Water Conservancy District
Tom Ward, Sandy City Public Utilities
Michael Callison, PCL Construction
Brad Jeppson, Stantec
Marie Owens, AE2S
Susan Spore, Bowen & Collins
Brad Buswell, Carollo Engineers
Ryan Sparks, Memorial Estates
Zachary Frankel, Utah Rivers Council
Jim Byrne, Salt Lake City resident
Paul Zuckerman, Salt Lake City resident

V. Gopimath, Salt Lake City resident
Joan Gregory, Salt Lake City resident
Rick Gregory, Salt Lake City resident
Patricia Jones, Sandy City resident
Paul Jensen, Sandy City resident
Gary Nigbur, Sandy City resident
Brent Nielsen, Sandy City resident
Allison Powers, Sandy City resident
Steve Van Maren, Sandy City resident

Closed Session Agenda

1. Pending or reasonably imminent litigation
2. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. Consider approval of eminent domain (condemnation) proceedings for select SLAR easements
 - a. Parcel Number 47-49, 57, Memorial Estates, 3115 E Bengal Blvd
 - b. Parcel Number 67, Rottler, 7281 S Hickory Hill
4. Engineering Committee report
 - a. Consider approval of Professional Services Agreement with Meridian Engineering for survey services
 - b. Consider approval of Reuse Authorization Contract
 - c. Consider authorizing GM to pre-approve the abandonment of portions of the SLA Corridor in connection with acquiring SLAR easements
 - d. Reporting items on acquisition of District fee property
 - e. Consider ratification of procurement with Lumen
 - f. Consider authorizing GM to pre-approve the utility relocation costs associated with the Cottonwoods Connection project
 - g. Capital projects report
5. Executive Committee report
 - a. Consider approval of sole source procurements
6. Consider acceptance of financial reports
7. Consider approval of Board Meeting minutes dated June 17, 2024
8. Reporting/Scheduling items
 - a. Water supply and demand update
 - b. Semi-annual deposits and investment report
 - c. Quarterly check register (April – June 2024)
 - d. Electronic payments
 - e. Credit card expenditures
9. Other business
10. Items to be discussed at future meetings
11. Suspend Board Meeting for Public Hearing

Public Hearing Agenda

1. Call to order
2. Presentation of proposed property tax increase and fiscal year 2025 budget
3. Public comment
4. Close Public Hearing

Resume Board Meeting Agenda

12. Consider approval of Resolution 1936 adopting the fiscal year 2025 budget
13. Adjournment

Closed Session

Mr. Kirkham motioned to go into closed session to discuss pending or reasonably imminent litigation. Ms. Comarell seconded the motion and the motion passed unanimously. The following board members were present: Mr. Godfrey, Mr. Kirkham, Ms. Comarell, and Ms. Cromer. Mr. Milne, Mr. Mabey, and Ms. Degiorgio were excused. The following staff were also present: Ms. Munsey, Mr. Winsor, Mr. Cook, Ms. Jackson, Mr. Allen, Mr. Stevens, and Ms. Cepernich.

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

Board Meeting

Call to order

At 4:44 p.m. the Chair, Mr. Godfrey, called the meeting to order and welcomed board members, staff, and visitors.

Public comment

No public comments were made.

Consider approval of eminent domain proceedings for select SLAR easements

Ms. Cepernich reviewed the purpose of eminent domain proceedings and the due diligence the District has completed. She reviewed the process for the board meeting and the possible actions the board can take.

The SLAR will be constructed parallel to the SLA between the LCWTP and Fort Union Boulevard in Cottonwood Heights. Of the 64 identified easements for the project, 17 have yet to be acquired. The District aims to complete easement acquisition by January 1, 2025. This date is driven by contractor schedule and funding commitments.

Eminent domain is regulated in Utah Code Title 78B, Part 6, Chapter 5. The code requires the District to provide written notice to each owner of property at least 10 business days before a board meeting at which a condemnation vote may occur. The District sent notices on July 22. Before considering condemnation, the project team must reasonably negotiate with the property owner and determine non-condemnation closure is unlikely. The project team makes this finding for the identified properties. Once a condemnation case has been filed, the District may file a motion seeking an order of immediate occupancy that would allow the District to enter and use the property while the case is pending. These are granted fairly routinely, but they involve briefing with the property owner having the opportunity to file an opposition within 21 days of the complaint being served and a hearing before the Court. The following parcels have been identified for this process:

Parcel No.: 47-49, 57
Memorial Estates
3115 E Bengal Blvd

Parcel No.: 67
William Rottler
7281 S Hickory Hills

Mr. Stevens and Ms. Cepernich relayed the effort and communications with each property owner to the board. They described the location and current uses of the properties. Ms. Comarell asked if homeowners are notified of the pipelines and easements when purchasing the properties. Mr. Stevens explained buyers are supposed to be notified when purchasing. However, as easement acquisition has continued for this project, some owners indicated they were unaware of the easement.

The Engineering Committee discussed this item on July 30, 2024 and supports the proceedings. Mr. Sparks, representative from Memorial Estates, did not have any comments for the board. Mr. Rottler did not attend the board meeting to provide comments on the proceedings.

Mr. Kirkham motioned to authorize eminent domain proceedings for the parcel numbers 47 through 49, and 57. Ms. Comarell seconded the motion and the motion passed unanimously.

Mr. Kirkham motioned to authorize eminent domain proceedings for the parcel number 67. Ms. Cromer seconded the motion and the motion passed unanimously.

Mr. Mabey joined the board meeting.

Consider approval of Professional Services Agreement with Meridian Engineering for survey services

The District issues a Request for Qualifications (RFQ) annually for general engineering and survey services. Statements of Qualifications (SOQ) can be submitted at any time by consultants. The District then draws from on-file SOQs to assist with projects. In May 2024, a selection committee reviewed survey SOQs to provide support for the Cottonwoods Connection

(SLAR-CC) project. The committee recommended entering into a Professional Services Agreement with Meridian Engineering, Inc. to provide survey services through June 30, 2029. Although individual tasks are expected to be less than \$50,000 each, the cumulative effect of this work may exceed \$50,000 annually, and certainly over the project lifetime.

The Engineering Committee discussed this item on July 30, 2024 and recommended approval of the contract by the full board.

Mr. Kirkham motioned to authorize the General Manager to enter into a Professional Services Agreement with Meridian Engineering, Inc. to provide on-call survey services to the District through June 30, 2029. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of Reuse Authorization Contract

South Valley Sewer District owns and operates Jordan Basin Water Reclamation Facility. At least a portion of the water treated by the Jordan Basin Water Reclamation Facility originates from the Central Utah Project, Bonneville Unit and the Utah Lake Drainage Basin Water Delivery System. South Valley Sewer, Sandy City, Bluffdale City, and Draper Irrigation Company desire to make treated effluent from the Project Water available to Draper, Bluffdale, and Sandy cities for reuse by their customers in accordance with the Reuse Act. This arrangement is similar to that approved by the board in January 2024 for Salt Lake City. Mr. Kirkham noted the Jordan Basin Water Reclamation Facility is the new name for the South Valley Sewer District.

The Engineering Committee discussed this item on July 30, 2024 and recommended approval of the contract by the full board.

Mr. Kirkham motioned to approve the Reuse Authorization Contract. Mr. Mabey seconded the motion and the motion passed unanimously.

Consider authorizing GM to pre-approve the abandonment of portions of the SLA Corridor in connection with acquiring SLAR easements

During acquisition of the SLAR easement, property owners have requested abandonment of a portion of the existing SLA easement. This prospect was shared with and considered by the board previously as a general statement, but not specific to any particular property.

The District has received requests to abandon a portion of the SLA easement on six properties, with four asking for the western 25 feet and two for the eastern 25 feet. The relinquished easement, if approved, would come at a 1:1 cost with the new SLAR easement. Staff seeks authorization for the General Manager to pre-approve abandonment of portions of the SLA Corridor in connection with acquiring SLAR easements. Abandonments would be reported at the next scheduled board meeting.

Mr. Kirkham asked if there are a variety of easement types and if any included are fee land. The current properties are all deeded easement.

The Engineering Committee discussed this item on July 30, 2024 and recommended approval of the authorization by the full board.

Mr. Kirkham motioned to authorize the General Manager to pre-approve abandonment of portions of the SLA Corridor in connection with acquiring SLAR easements. Ms. Comarell seconded the motion and the motion passed unanimously.

Reporting items on acquisition of District fee property

On September 18, 2023 the board authorized the General Manager to acquire property interest for the new SLAR pipeline. The District has since acquired three parcels along Danish Road, one parcel north of 10MG Reservoir, and a portion of a parcel north of 10MG Reservoir that was purchased in easement. Ms. Cepernich gave further details on the status of each property. Once the parcel is formally divided, the District will acquire the fee. Mr. Kirkham noted the funds being used for the acquisition is from the Cottonwoods Connection easement acquisition capital budget.

Consider ratification of procurement with Lumen

While excavating for the CC-1 vault at the intersection of Nutree Drive and Fort Union Boulevard, Whitaker Construction discovered an unmarked fiber duct bank consisting of six 4-inch diameter conduits. The conduits must be relocated before Whitaker can continue working. Coordination with CenturyLink has resulted in a Special Construction Proposal which includes the immediate relocation and four others identified during design. CenturyLink desires to complete the relocation and have the District reimburse the actual cost upon completion. The estimated cost for these five relocations is \$220,261.01.

The board asked staff for further details on the estimated cost and repayment. The Engineering Committee discussed this item on July 30, 2024 and recommended ratification of the Special Construction Proposal by the full board.

Mr. Mabey motioned to ratify the Special Construction Proposal for CenturyLink to relocate utilities for the Cottonwoods Connection project, at an estimated cost of \$220,261.01. Ms. Cromer seconded the motion and the motion passed unanimously.

Consider authorizing GM to pre-approve the utility relocation costs associated with the Cottonwoods Connection project

The Cottonwoods Connection project includes working around and occasionally relocating existing utilities. Many utility owners want to perform the relocation themselves with the District reimbursing the cost. Others require the District to perform a portion of the relocation work. Three of these utilities include Questar, Lumen, and Rocky Mountain Power.

It is expected additional utilities will be discovered and require relocation during construction of the Cottonwoods Connection project. In order to quickly respond to these situations as they arise, staff is seeking authorization for the General Manager to approve the above and similar utility relocation expenses as they arise, which may exceed \$50,000, with each being reported to the board at the next available meeting.

The Engineering Committee discussed this item on July 30, 2024 and recommended authorization to the General Manager be approved by the full board.

Mr. Kirkham motioned to authorize the General Manager to sign relocation contracts as required, for which expenses may exceed \$50,000, for construction of the Cottonwoods Connection project. Ms. Comarell seconded the motion and the motion passed unanimously.

Capital Projects report

Mr. Godfrey welcomed any questions regarding the capital projects report.

Consider approval of sole source procurements

The Utah Procurement Code provides that an award of contract may be made without engaging in a standard procurement process when there is only one source for the procurement item. To be compliant with Procurement regulations, the District identified a list of vendors that would qualify as sole source vendors.

Proposed sole-source procurement notices were posted on the District's website on July 22, 2024. Any party that did not agree with the proposed sole source procurement had until July 29, 2024, at 5:00 PM to contact the District. One party contacted the District regarding our financial software – Intuit (QuickBooks). They withdrew their question when they recognized we were not a school district. No other party contacted the District to disagree with the remaining proposed sole source procurements.

The Executive Committee reviewed the list of proposed sole source procurements during the July 29, 2024 committee meeting and recommended approval by the full board.

Mr. Kirkham motioned to approve the sole source procurements. Mr. Mabey seconded the motion and the motion passed unanimously.

Consider acceptance of financial reports

Mr. Kirkham motioned to accept the May 2024 financial statements. Ms. Cromer seconded the motion and the motion passed unanimously.

Consider approval of Board Meeting minutes dated June 17, 2024

Ms. Cromer motioned to approve the Board Meeting minutes dated June 17, 2024 with the correction noted. Mr. Kirkham seconded the motion and the motion passed unanimously.

Reporting/Scheduling items

Mr. Sorensen provided a water supply update covering two months for the board. He mentioned the water forecast and reservoir levels then reviewed water deliveries, average precipitation levels, and water supply projections.

Mr. Kirkham noted the Finance Committee had reviewed the semi-annual deposits and investment report, quarterly check register, electronic payments, and credit card expenditures. He noted the increased interest revenue from investments.

Ms. Munsey mentioned the Cottonwoods Connection Groundbreaking Ceremony. The board congratulated staff on a successful event.

Other business

Mr. Godfrey extended the board's welcome to new employees and congratulated staff on their service anniversaries.

Items to be discussed at future meetings

Ms. Munsey noted a tour of the Cottonwoods Connection project site will be held as part of the September board meeting.

Suspend Board Meeting for Public Hearing

Ms. Comarell motioned to suspend the board meeting for the public hearing. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Public Hearing

Open Public Hearing

Mr. Godfrey opened the public hearing at 6:01 p.m.

Presentation of proposed property tax increase and fiscal year 2025 budget

Ms. Munsey reviewed the proposed certified rate increase and examined the rate increases of similar water entities. She identified the needs for the property tax increase and explained the projected revenue sources for FY2025. Ms. Munsey explained the revenue that would come from the rate increase and then reviewed the capital projects the revenue will be used to help fund. She noted the proposed property tax increase has been approved by both Salt Lake City Council and Sandy City Council. Both cities held public hearings for the increase.

Public comment

Mr. Godfrey explained the process for public comment.

Mr. Zachary Frankel expressed concern about an increase in property taxes and suggested obtaining revenue through a water rate increase. He said this would promote water conservation. Mr. Frankel offered to return to speak in front of the board at another time.

Mr. Paul Jenson expressed concern about an increase in property taxes and suggested seeking other options to fund the projects. He noted most public comments should be brought to the city councils.

Ms. Joan Gregory expressed concern about an increase in property taxes. She noted the need to conserve more water for the Great Salt Lake. Ms. Gregory suggested obtaining revenue through a water rate increase to promote conservation.

Mr. Jim Byrne noted the stability of revenue from an increase in property taxes. He suggested a water rate increase to promote conservation and send more water to the Great Salt Lake.

Mr. Paul Zuckerman suggested seeking other sources of revenue to fund the projects.

Close Public Hearing

Ms. Comarell motioned to close the public hearing and resume the board meeting. Mr. Mabey seconded the motion and the motion passed unanimously.

Resume Board Meeting

Consider approval of Resolution 1936 adopting the fiscal year 2025 tentative budget

Mr. Kirkham motioned to approve Resolution 1936 adopting the FY2025 budget. Ms. Comarell seconded the motion and the motion passed unanimously.

Ms. Comarell explained the decision to fund the projects through property tax increase. She noted the due diligence conducted by the District to ensure it was the right approach. She also noted the fiscal benefits of an increase in property taxes. Ms. Comarell noted the balancing act between conservation and water fees.

Adjourn

At 6:27 p.m. the board meeting adjourned.

Tom Godfrey, Chair

Patricia Comarell, Secretary