

Tab 1

Executive Committee report



METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY

RESOLUTION NO. 1944

WHEREAS, the Metropolitan Water District of Salt Lake & Sandy (“District”) owns 61,900 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 members’ meeting; and

WHEREAS, the Association’s annual members’ meeting is scheduled for April 30, 2026; 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 2026 annual Association members’ meeting, according to the written instructions contained in this Resolution.

NOW THEREFORE it is hereby **RESOLVED**, that the Board of Trustees hereby appoints Annalee Munsey, the District’s General Manager (or a representative of the District as selected by Annalee Munsey) 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 members of the Association at the 2026 annual members’ 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.

Section 3.2 of the Bylaws of the Provo River Water Users Association provides that Class A members of the Association are those members “each of whom owns 10,000 or more shares in single ownership.” The Class A members consist of just two members, the District, which holds 61,900 shares, and the Provo Reservoir Water Users Company (“PRWUCo.”), which holds 16,000 shares. Section 3.2.1 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 the Articles of Incorporation, provided, that each Class “A” member shall be permitted to elect at least one (1) director.” Therefore, the Class A members as a group elect eight (8) of eleven (11) Association directors, except that each Class A member 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. Laura Briefer
2. Joan Degiorgio

3. Tom Godfrey
4. John Kirkham
5. Annalee Munsey
6. Tom Ward
7. Florence Reynolds

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 Annalee Munsey shall be so designated.

In addition, Section 3.2 of the Bylaws of the Provo River Water Users Association provides that Class B members “shall consist of members each of whom owns less than 10,000 shares.” Section 3.2.2 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 members.

Section 3.2.3 of the Bylaws of the Provo River Water Users Association further provides that “If 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:

8. Gordon Cook

This RESOLUTION adopted by a vote of the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy on the 23rd day of March, 2026.

Tom Godfrey
Chair of the Board of Trustees



Capital Budgeting Process

Board Meeting
March 23, 2026

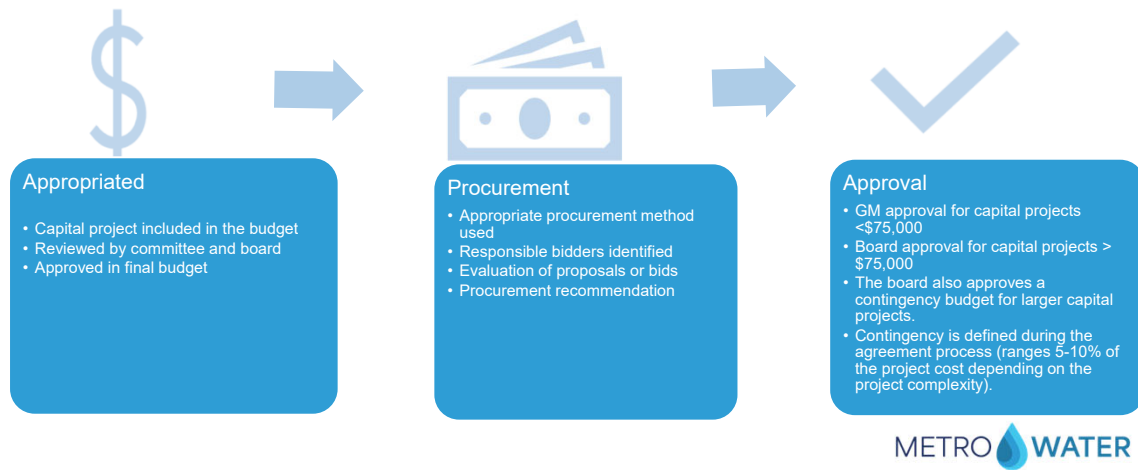
Development of Capital Projects

Capital Projects

- The Asset Management Team identifies projects
- Team meets quarterly to discuss any changes to the timing of projects
- The capital projects budget is prepared in December and presented to the General Manager
- The draft capital projects budget is presented to the Engineering Committee in March
- The tentative capital projects budget is presented to the Finance Committee in April
- The tentative capital projects budget is approved by the full board in April or May
- The final capital projects budget is approved by the full board in June.



Capital Projects Approval Process



Capital Project Budget

- Engineer's estimate included in the tentative and adopted budget
- The actual project cost is determined once bidders have responded to the proposal or bid
- If the proposal or bids are higher than the Engineer's estimate, the staff will make a recommendation. Options are:
 - Cancel the project for the current fiscal year;
 - Delay the startup of the project so the project costs do not exceed the current budget;
 - Proceed but change the scope of work to stay within budget; or
 - Proceed with the project but board will need to increase the approved budget
- The proposals/bids are reviewed with the Engineering Committee.
- Engineering Committee makes recommendation to the full board.

Increases to the Capital Project Budget

- Cost increases due to a **scope** change are reviewed by the GM, Engineering Committee, and approved by the Board
- Cost increases due to **non-scope** changes are reviewed and approved by GM and reported to the Engineering Committee and Board, if less than \$75,000
- Cost increases due to **non-scope** changes are reviewed by the GM and Engineering Committee, and approved by the Board if more than \$75,000



Total Cost for a Capital Project May Include:

- Design
- Construction
- Contingency
- Engineering Services During Construction (ESDC)
- Public Involvement
- Easement or land acquisition
- Utility relocation



Tracking of Budget Changes

Project costs are shown on the capital projects report.

Example:

Salt Lake Aqueduct Hardening (SA062)

Purpose: Preliminary design to evaluate replacement and slip-lining of the SLA for seismic stability.

Update: A geotechnical hazard workshop was held on January 30. Pipe rehabilitation and slip-lining options will be discussed at a workshop on February 20.

District Project Manager:	Kelly Stevens
Design Engineer:	Bowen Collins & Assoc.
Preliminary Design Completion Date:	December 31, 2025
Project Budget:	\$2,000,000.00
Contract Amount:	\$2,000,000.00
Change Orders / Percent:	\$0.00 / 0.0%
Spent to Date:	\$386,441.86
Other Costs:	\$0.00
FY25 Expenses to Date / Percent Spent:	\$386,441.86 / 19.3%

The project manager tracks the costs.

All changes orders are reviewed by Engineering Manager.

GM approves changes orders within approval limits.

All other changes orders are reviewed by the Engineering Committee and approved by the board.



Questions