

Tab 4

MONDAY, OCTOBER 16, 2023

Minutes of the 877th meeting of the Metropolitan Water District of Salt Lake & Sandy Board of Trustees held Monday, October 16, 2023 at 4:33 p.m. at 3430 E Danish Road, Cottonwood Heights, UT 84093.

The following trustees attended the board meeting:

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

The following staff and guests attended the board meeting:

Annalee Munsey, General Manager
Gordon Cook, Assistant General Manager – Chief Operating Officer
Darin Klemin, IT Manager
Ammon Allen, Engineering Manager
Kelly Stevens, Senior Engineer
Gardner Olson, Engineer II
Augusto Robles, Engineer I
Matthew Tietje, Operations Manager
Steve Slack, Maintenance Manager
Jeff Matheson, Laboratory Manager
Sonya Shepherd, HR Program Manager
Breana Jackson, Executive Administrator
Dani Cepernich, Snow, Christensen & Martineau
Scott Martin, Snow, Christensen & Martineau
Tom Ward, Sandy City Public Utilities
Scott Ellis, Sandy City Public Utilities
Jacob Young, Jordan Valley Water Conservancy District
Mike Whimpey, Central Utah Water Conservancy District
Angelo Calacino, Salt Lake County Parks & Recreation
Jason Luettinger, Bowen Collins & Associates
Kyle Greene, Squire & Company, PC
Brandon Keyes, WSRP, LLC
Stockton Denos, AE2S
Marie Owens, AE2S

Work Session Agenda

1. Update on Managed Aquifer Recharge project
2. District Safety report

3. Other

Board Meeting Agenda

1. Call to order
2. Public comment
3. District response to R. Warther
4. Finance Committee report
 - a. Consider approval of FY 2023 financial audit
 - b. Consider acceptance of financial reports
 - c. Reporting items
 - i. Quarterly check register
 - ii. Electronic payments
 - iii. Credit card expenditures
5. Management Advisory Committee report
 - a. Consider approval of proposed changes to Policies and Procedures Chapter 6
 - b. Reporting items
6. Engineering Committee report
 - a. Consider approval of Amendment No. 4 to SLAR-CC Project
 - b. Consider approval of award for Cottonwoods Connection Welded Steel Pipe preselection contract
 - c. Consider approval of Resolution 1928 approving FEMA BRIC grant application
 - d. Consider approval of Resolution 1929 adoption of 2023 Multi-hazard Mitigation Plan
 - e. Consider approval to submit a Section 408 application to the U.S. Army Corps of Engineers on behalf of Salt Lake County
 - f. Reporting items
7. Consider approval of Board Meeting minutes dated September 18, 2023
8. Consider approval of meeting calendar for 2024
9. Reporting/Scheduling items
 - a. Water supply and demand update
10. Other business
11. Items to be discussed at future meetings
12. Closed Session
 - a. Pending or reasonably imminent litigation.
 - b. Strategy sessions to discuss the purchase, exchange, or lease of real property, including water right(s) or water share(s), when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the District from completing the transaction on the best possible terms.
 - c. Discussion regarding deployment of security, personnel, devices, or systems.
13. Adjourn

Work Session

Update on Managed Aquifer Recharge project

Mr. Robles provided the board with an overview of the Managed Aquifer Recharge project. He shared photos of project progress throughout the process, explained the project timeline, the precautions taken to be considerate of neighboring properties, and shared a wide-shot video of the project in its current state.

District Safety report

Mr. Cook provided the board with an overview of the District's Safety Program. He explained the existing safety measures such as the Safety Manual, the Safety Team, monthly District-wide training, and the Safety Incentive Program. He then reviewed the District's E-Mod history and its relation to the workers compensation premium.

Board Meeting

Call to order

At 4:33 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.

District response to R. Warther

Mr. Robert Warther attended the September 18, 2023 Board Meeting and presented a letter to the trustees. He requested an update on the Managed Aquifer Recharge Project. Mr. Warther's property borders the Little Cottonwood Water Treatment Plant (LCWTP). He had expressed concerns about future performance of the surface infiltration basins and communications to date on the project.

The District's response letter was included in the board packet. Mr. Warther was not present at the October board meeting. Ms. Comarell asked if his concern regarding the noise had been addressed. Ms. Munsey said staff will continue to communicate with Mr. Warther about noise control.

Consider approval of FY 2023 financial audit

An independent annual audit is required in conformity with Utah Code Ann. Title 51, Chapter 2a. Mr. Kirkham summarized the FY 2023 audit process. Ms. Munsey introduced Mr. Brandon Keyes with WSRP, LLC whom the District contracts to prepare the financial statements. Mr. Kyle Greene with Squire & Company, PC reported the FY 2023 audit was issued a clean opinion. He explained the different aspects included in the audit and welcomed any questions from the board.

Ms. Comarell asked if the auditors found anything through the audit process that could be helpful for future processes. Mr. Greene said he would share with Ms. Munsey if anything came to mind.

Mr. Kirkham motioned to approve the FY 2023 financial audit. Mr. Mabey seconded the motion and the motion passed unanimously.

Consider acceptance of financial reports

Mr. Kirkham motioned to accept the July 2023 financial reports. Ms. Comarell seconded the motion and the motion passed unanimously.

Reporting items

Mr. Kirkham reported the Finance Committee had received and reviewed the quarterly check register, electronic payments, and credit card expenditures.

Ms. Comarell thanked Mr. Josh Croft, Accountant, for his work at the District.

Consider approval of proposed changes to Policies and Procedures Chapter 6

Currently at the District, a purchase of goods or services for more than \$1,000, but not exceeding \$50,000, may be awarded without a competitive process after the solicitation of price quotations from enough prospective vendors to reasonably ensure that the District received a competitive price. The small purchase threshold of \$1,000 has been in place for more than 15 years. Staff is seeking an increase to a threshold to \$2,000. The Management Advisory Committee discussed the increase during the October 3, 2023 committee meeting and recommended approval by the full board.

Mr. Mabey motioned to approve the change to Policies and Procedures Chapter 6. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Reporting items

During the FY 2024 budget process, staff added an FTE to the Information Technology (IT) department under the title of Senior Systems Administrator. With recent restructuring of the IT department, staff will use the FTE for an Information Technology Technician instead of Senior Systems Administrator.

Consider approval of Amendment No. 4 to SLAR-CC Project

Previously, the Board approved a professional services agreement for \$2,355,136 to Hazen and Sawyer to design the Salt Lake Aqueduct Replacement – Cottonwoods Connection (SLAR-CC) Project. Following this agreement, the board has approved Amendment No. 1, 2, and 3. Various additional work efforts have been identified. Mr. Stevens identified the tasks associated with Amendment No. 4.

The Engineering Committee discussed this amendment on September 27, 2023 and recommended approval.

Mr. Milne motioned to amend the SLAR-CC professional services agreement to include \$174,348 for the Amendment No. 4 tasks. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Consider approval of award for Cottonwoods Connection Welded Steel Pipe preselection contract

The Cottonwoods Connection project includes more than 21,000 feet of new pipe. Pipe suppliers report a lead time of approximately 20 weeks from submittal approval until delivery, consisting of 8 weeks to procure material and 12 weeks to fabricate the pipe. Submittals add another 8 to 12 weeks.

The District posted a notice inviting bids for pipe preselection between September 6 and 26, 2023. The timing of addenda and the bid date did not provide sufficient time for suppliers to respond. One bid was received.

The Engineering Committee discussed this item on September 27, 2023 and supported rebidding due to insufficient time to prepare a bid after last addenda. The project was therefore rebid between September 27 and October 5, 2023. Two bids were received.

Mr. Kirkham asked about the risk of the project not proceeding and the District already having purchased the pipe. Mr. Stevens explained the potential risk.

Mr. Milne motioned to approve award of the Cottonwoods Connection Welded Steel pipe preselection contract to Thompson Pipe Group for \$10,327,695. Ms. Comarell seconded the motion and the motion passed unanimously.

Consider approval of Resolution 1928 approving FEMA BRIC grant application

The Federal Emergency Management Agency (FEMA) administers mitigation project grant money through the Building Resilient Infrastructure and Communities (BRIC) program. BRIC grants are available for two types of projects – planning and construction. The District desires to apply for grant monies as a sub-applicant to the State of Utah for two projects during the 2023 Notice of Funding Opportunity.

The first application is for a planning grant to confirm the alignment and hydraulics of the Salt Lake Aqueduct Replacement between Fort Union Boulevard and Terminal Reservoir. This effort is anticipated to cost \$500,000 and would fall under a 75% federal / 25% District cost share (i.e., a grant of up to \$350,000). An application for construction of the currently-in-design \$10M Little Cottonwood Conduit – Raw Water replacement project. The District is eligible for a construction grant of up to \$7M (75% of the project; District portion of project is \$2.5M).

The Engineering Committee discussed this item on September 27, 2023 and recommended adoption of the resolution.

Mr. Kirkham motioned to approve Resolution 1928, as amended, to commit District funding and meet project deadlines if selected for either or both FEMA BRIC grants. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Consider approval of Resolution 1929 adoption of 2023 Multi-hazard Mitigation Plan

The District completed hazard assessment for the Salt Lake Aqueduct and the Little Cottonwood Water Treatment Plant in 2022. These assessments were folded into a comprehensive Multi-hazard Mitigation Plan (MMP) that includes all of the District's infrastructure. Board adoption of the document is required prior to final submission to FEMA for approval. Once approved by FEMA, the District will be positioned to seek federal grants through the Building Resilient Infrastructure and Communities (BRIC) program. BRIC funding is part of the District's overall funding strategy for capital projects over the next several decades.

The Engineering Committee discussed this item on September 27, 2023 and recommended adoption of the resolution.

Mr. Kirkham motioned to approve Resolution 1929 for the adoption of the 2023 Multi-hazard Mitigation Plan. Ms. Cromer seconded the motion and the motion passed unanimously.

Consider approval to submit a Section 408 application to the U.S. Army Corps of Engineers on behalf of Salt Lake County

An interlocal agreement (dated June 10, 1986) between the District, Salt Lake County, and Salt Lake City described operation, maintenance, and rehabilitation of the project. A supplemental agreement dated September 6, 1994 provides 60.85 acres of Salt Lake County land along the Jordan River for riparian mitigation. This land was required for "the mitigation of riparian impacts resulting from the construction, operation and maintenance of the Project."

In March of 2023, Salt Lake City notified the District that Salt Lake County had filed a stream alteration permit to install boat portages along the Jordan River at 3900 South Street; the proposed north ramp is within the riparian mitigation area. USACE stated a Section 408 Permit is required for the proposed boat portage. The application for that permit must go through the District as the sponsoring agency for the mitigation area. In addition to submitting the application on behalf of the county, the District is required to provide a Statement of No Objection for the project.

Staff, both at the District and at Salt Lake City, have no objection to the proposed boat portage provided appropriate permission is first received from USACE. The Engineering Committee discussed this item on September 27, 2023 and recommended to submit the permit.

Mr. Kirkham motioned to approve the submittal of a Section 408 application to the U.S. Army Corps of Engineers on behalf of Salt Lake County. Ms. Cromer seconded the motion and the motion passed unanimously.

Reporting items

Ms. Cromer asked why on BP101 it states the project did not receive BRIC funding. Ms. Munsey clarified that Jordan Valley Water Conservancy District did not receive the BRIC funding they anticipated.

Consider approval of Board Meeting minutes dated September 18, 2023

Ms. Cromer motioned to approve the Board Meeting minutes dated September 18, 2023. Ms. Degiorgio seconded the motion and the motion passed unanimously.

Consider approval of meeting calendar for 2024

Mr. Kirkham motioned to approve the meeting calendar for 2024. Mr. Milne seconded the motion and the motion passed unanimously.

Reporting/Scheduling items

Mr. Milne noted the Sandy City Public Utilities Advisory Committee meeting had been moved from November 16, 2023 to November 15, 2023. He also noted the December Sandy City Public Utilities Advisory Committee meeting was cancelled.

The board congratulated Mr. Tietje on being named Operator of the Year.

Mr. Tietje provided a water supply and demand update for the board. He noted water storage levels and the projected weather forecast. Mr. Tietje explained how demand has been significantly lower than projected.

Other business

Ms. Munsey explained that part of appropriations legislation this year included \$50M toward aqueduct resiliency. The District submitted a request for \$1.5M to help with planning for the finished water from LCWTP to Terminal Reservoir. The District was awarded 95% of the request for a total of \$1.469M.

Mr. Godfrey thanked Mark Sarvela for 15 years and Josh Croft for five years of service at the District. He noted Shawn Draney's selection for the Award of Merit by the Intermountain Section AWWA.

Items to be discussed at future meetings

No items were discussed.

Closed Session

Mr. Kirkham motioned to go into closed session to discuss pending or reasonably imminent litigation. Ms. Degiorgio seconded the motion and the motion passed unanimously. All board members were present. The following staff were also present: Ms. Munsey, Mr. Cook, Ms. Jackson, Ms. Cepernich, Mr. Allen, Mr. Stevens, Mr. Tietje, and Mr. Martin. Mr. Milne was excused partway through the closed session discussion.

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

Mr. Kirkham motioned to go into closed session to discuss strategy sessions regarding the purchase, exchange, or lease of real property, including water right(s) or water share(s), when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the District from completing the transaction on the best possible terms. Ms. Cromer seconded the motion and the motion passed unanimously.

All board members were present and the following staff were also present: Ms. Munsey, Mr. Cook, Ms. Jackson, Ms. Cepernich, Mr. Allen, Mr. Stevens, Mr. Tietje, and Mr. Martin. Mr. Godfrey was excused partway through the closed session

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

Adjourn

At 6:55 p.m. the board meeting adjourned.

Tom Godfrey, Chair

Patricia Comarell, Secretary