MINUTES OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE
January 25, 2023
5:00 pm

Please note one or more members of the Board may be joining the meeting electronically.

PRESENT:

Mark Bezzant	Chair
Brian Andrew	Vice-Chair
Frank Mills	Board Trustee
Paul Pierpont	Board Trustee
Craig Veenker	Board Trustee
Neal Winterton	Board Trustee

STAFF PRESENT:

Denise Roy	Finance Director
Kathy Kresser	Assistant Secretary
Tina Petersen	Pleasant Grove City Attorney

Excused: Trustee Marty Beaumont and Trustee Paul Pierpont

The Board of Trustees of the Metropolitan Water District of Pleasant Grove held a meeting on January 25, 2023 in the Community Room 108 S 100 E, Pleasant Grove Utah at 5:00 pm.

Chair Mark Bezzant called the meeting to order and welcomed everyone to the meeting. He then noted that the meeting is being recorded and that no one from the public was in attendance for the public hearing items. He then excused Board Trustee Marty Beaumont and Trustee Paul Pierpont.

1. Review and approve Q1 and Q2 of the Metropolitan Water District Financials.

Director Roy reported that on Q2 the City still needs to make a transfer of funds to Metro and there has been some cash paid in lieu of water shares that has been turned in. This is something that goes through the Engineering Department. The report shows that water share assessments that have been paid to date and water shares have been purchased. She commented that she has provided to the Board the details of these transactions.

Motion: Trustee Brian Andrew moved to approve the financial statement as presented. Trustee Frank Mills seconded the motion. Board Trustee Votes: Brian Andrew, Yes; Mark Bezzant, Yes; Frank Mills, Yes; and Craig Veenker, Yes; The motion passed unanimously.

2. Review and approve the Financial Audit.

Director Roy commented that the FY22 audit had a clean opinion which is a good thing. They auditors that do the City audit also does the District audit. One of the things that the auditor brought up was he wanted to get a better understanding of the water shares that Metro owns and how they work with the PG Irrigation Company and the City regarding the water shares.

A meeting was held with Chair Bezzant, herself, Trustee Winterton and John Schiess with Horrocks Engineers, who has been helping the City for over 20 years with the water right information. Also in attendance was Ria Hannah, Public Works and Kathy Kresser, Assistant Secretary. Trustee Winterton put together a 3 page document explaining how the water shares work and Mr. Schiess put together a spreadsheet showing all the shares that are with the 3 entities. She said that she would like to share this information with the Board and will send it out.

Originally the auditors wanted us to show ownership in the other entities that they have water shares for, like North Union etc. After explaining how this works she felt that the auditors understood how all of this works.

Trustee Mills asked if she got something in writing stating that the auditors understood the process, down the road someone could bring this up again. Director Roy replied that she thinks that she can get something from them stating that they had a good understanding of the process and are moving forward and they were going to issue the report. Trustee Winterton commented that there was a brief paragraph stating that Metro had a clean audit in the City Audit. Trustee Mills stated that he would like to see something in writing from the auditors stating that they understand the process. Director Roy remarked that the partner that she worked with said that this was the first time and asked questions about it so he could get a better understanding of the water shares and the water rights. Attorney Petersen commented that her understanding of what Trustee Mills is saying that down the road there might have a different auditor which might ask the same question then they will have to give the same analysis.

Director Roy said that the only thing that the auditors was asking that they do is make a full accrual entry on the books. Doing that she would have had to have gotten the financials from all the other entities that they have water shares or water right. The auditor wanted her to do an accounting entry showing that the Board has equity in those other entities. She said that she looked at other Metropolitan District audits like Orem, Provo and one in Salt Lake and no one is accounting for what the auditor was asking for. She said that she feels confident in the process that they went through, and she can share the email discussion between her and the auditor regarding this.

Motion: Trustee Winterton moved to accept the financial audit as presented. Trustee Andrew seconded the motion. Trustee Mills wanted the record the show that this discussion has taken place and that Director Roy gets something from the auditor memorializing the understanding about the water rights/shares. Board Trustee Votes: Brian Andrew, Yes; Mark

Bezzant, Yes; Frank Mills, Yes; and Craig Veenker, Yes; The motion passed unanimously.

Finance Director Roy left the meeting at this point.

3. Open and Public Meeting Act Training – Attorney Petersen

Attorney Petersen remarked that it is a State requirement that all public bodies has Open and Public Meeting Act Training yearly. She then explained the fundamental principal of the Act is that public business should be done in the public eye and that the public has the right to engage in conversation and discussion on how the money is spent and how business is conducted.

All meeting are open to the public except for very limited circumstances that are outlined in the statute. She then listed the limited circumstances which are not limited to discussion of the character, professional competence, or physical or mental health of an individual. A strategy session to discuss legal or pending litigation, or a strategy session to discuss the purchase, exchange or lease of real property.

Next Attorney Petersen noted that all meeting are open and minutes will be taken and recorded. There are a few things that do not qualify as a meeting even though there is a quorum of the body present. One would be a chance meeting i.e. going to a wedding reception, a birthday party or something along those lines.

In order to have a closed meeting the Board needs to convene as a public body and then make a motion to go into a closed meeting. The statute also require an affirmative vote of 2/3 of the quorum of the body to enter into a closed meeting. The reason of the closed meeting must be entered into the minutes of open meeting and a vote by name must be entered into the minutes.

With regard to noticing of the meeting one of the requirements is that the Board provide notice of the meeting. If a public body holds regular meetings they have to have to post a notice annually declaring the date, time and place of the regular meeting. Each meeting then needs its own notice at least 24 hours before the meeting and it needs to consist of the date, time and place of the meeting. There are posting requirements for the meeting which include posting at the principle place of business of the body where the meeting is going to take place. The notice of the meeting is also sent to the State website.

Continuing on Attorney Petersen said there are provision in the statute for emergency meetings where the notice requirements can be disregarded and the best notice practical needs be given. An emergency meeting cannot be held unless an attempt has been made to notify all member of the public body and a majority of the public body approves calling the meeting. This is to prevent two people from secretly calling an emergency meeting and conducting business and the rest of the Board doesn't know what is going on.

The State statute also requires that the business that is going to be discussed or voted on is on the agenda, any item that is not listed on the agenda the body can not take action on. If during the meeting something is brought up but is not on the agenda the Board can discuss it but no action can be voted on.

A "meeting" is defined as the convening of a public body when a quorum is present. It includes workshops and executive sessions, this also includes electronic communications. She always counsels the public body's to not get into the habit of sending group texts and emails about business, the business needs to be done in the public eye in a regularly notices meeting.

Attorney Petersen reminded the Board that it is a criminal offence to knowingly or intentionally violate the Open and Public Meetings Act and the State Attorney General is in charge with enforcing the statute. Any information discussed in a closed meeting is confidential and is not to be discussed outside of the meeting. Violation of the confidentiality is also a criminal offense.

Chair Bezzant thanked Attorney Petersen for her time and training.

4. Review and Approve minutes of the September 14, 2022 meeting.

Motion: Trustee Veenker moved to approve the minutes as written. Trustee Mills seconded. Board Trustee Votes: Brian Andrew, Yes; Mark Bezzant, Yes; Frank Mills, Yes; and Craig Veenker, Yes; The motion passed unanimously.

Chair Bezzant noted that Craig Veenker is new to the Board and asked him to tell a little about himself. Trustee Veenker commented that he grew up in Lindon a has lived in Pleasant Grove for 12 years. He and his wife have been married for 28 years and have 4 children. He then thanked the Board for having him on the Board.

Trustee Winterton remarked that since the Board doesn't meet that often and as they try to obtain additional shares in Pleasant Grove Irrigation Company the $4,000 a share is out of the market. He would like to ask the Board to approve that Chair Bezzant negotiate a higher amount to those that are wanting to sell their water shares to Metro. He noted that the market value per share is about $6,000 currently. He would like the City to evaluate this and pay an appropriate for the water shares. What is happening is developers are purchasing water shares are buying shares at the higher rate and they are able to more shares and then pay cash in lieu of to the City. Trustee Mills noted that this is not on the agenda and no action can be taken today. He suggested that this item be added to the next agenda. He also suggested that John Schiess from Horrocks and a representative from the City Council be present at the next meeting. Chair Bezzant noted that the next meeting will be in May and wondered if that would be soon enough. Trustee Winterton replied that he would take a look and let the Board know if a meeting needs to happen sooner.

Chair Bezzant then asked for a motion to adjourn.

MOTION: 5:35 pm Trustee Andrew moved to adjourn. Trustee Veenker seconded the motion. Board Trustee Votes: Brian Andrew, Yes; Mark Bezzant, Yes; Frank Mills, Yes; and Craig Veenker, Yes; The motion passed unanimously.

The meeting adjourned at 5:35 p.m.

The Metropolitan Water District Meeting Minutes of January 25, 2023 were approved by the Board on May 17, 2023

Kathy T. Kresser, Assistant Secretary

(Exhibits are in the City Recorders office)