

**MINUTES OF THE METROPOLITAN WATER DISTRICT
OF PLEASANT GROVE**

June 23, 2021

5:00 pm

PRESENT:

Dave Holdaway	Chair
Mark Bezzant	Vice-Chair
Brian Andrew	Board Trustee
Marty Beaumont	Board Trustee
Paul Pierpont	Board Trustee

STAFF PRESENT:

Denise Roy	Finance Director
Kathy Kresser	Assistant Secretary

EXCUSED: Frank Mills, Secretary

The Board of Trustees of the Metropolitan Water District of Pleasant Grove held a meeting on June 23, 2021 in the Community Room 108 S 100 E, Pleasant Grove Utah at 5:00 pm.

Chair Holdaway welcomed everyone to the meeting and noted that Trustee Mills has asked to be excused.

1. Public Hearing to consider for adoption a Resolution (**2021-02 MWD**) adopting the Metropolitan Water District of Pleasant Grove final budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

Chair Holdaway noted that this is a public hearing to adopt the final FY2022 budget. He then opened the meeting to the public. There was no one representing the public, he then closed the meeting to the public.

Director Roy remarked that the water share acquisition was done by a budget amendment at the May 12th meeting for the current 2021 budget. She noted that the amount for that line item will go back down to \$125,000 just to make sure that there are funds available if people come and want to sell their water shares. Also at the May 12th Trustee Beaumont presented a spreadsheet showing the water assessments. She noted that the audit is a little bit cheaper because they are using the same auditors as the City. The Metropolitan Water District is a blended component of the City. Chair Holdaway remarked that this is the same budget that was looked at, at the May 12th meeting. Director Roy answered in the affirmative.

Chair Holdaway asked if there were any questions or comments on the budget, being none, he called for a motion to adopt the final 2021/2022 budget.

MOTION: Trustee Andrew moved to adopt Resolution 2021-02MWD adopting the 2021/2022 Final Budget for the Metropolitan Water District of Pleasant Grove. Trustee

Bezzant seconded the motion. The motion passed with Trustees Andrew, Beaumont, Bezzant, Holdaway, Pierpont voting Yea.

2. Discussion and approval of St. John Properties Water Right Purchase Agreement.

Chair Holdaway noted that this item was also discussed at the May 12th Board meeting. Trustee Beaumont reported that in working with St. John Properties there were several discussions on what an agreement should look like with purchasing the water rights from them. The City decided that it would be best for both entities to just go ahead and purchase all of the water shares at one time. He then handed out a spreadsheet showing what water rights are going to be purchased. He reminded the Board that any water rights before 1950 they are going to pay \$2000 per acre foot. Anything after 1950 they are paying \$100. The purchase of the water rights were contingent on getting a change application through the State. An application was filed and approved and once they go ahead and acquire the rights the State will deed those rights to the Metro Board.

Trustee Andrew asked if the District was in priority yet being a drought year. Trustee Beaumont replied that he hasn't heard anything about that.

Trustee Beaumont explained the process that they went through the last couple of years to get everything worked out to purchase the water rights, however the one thing that they didn't catch was the permanent application of change will be in the name of Pleasant Grove City and Valley Grove LLC and that name should have been Pleasant Grove Metropolitan Water District instead of Pleasant Grove City. The change application has gone through, and they would have to go through another change application to get them into Metro Water District name which will take about 8 months.

Trustee Beaumont then explained that the reason that he is bringing this before the Board tonight is because of the way that the change application was done. The Board already approved a budget amendment to purchase the water rights so when the water rights are paid for through Metro there needs to be an understanding that the rights will be going to Pleasant Grove City. The biggest thing with this is that there will be some issues that will have to be worked out with the audit. Both Pleasant Grove City and Metropolitan have enough water rights in each name and the rights will be transferred to the same wells so there is nothing different other than the rights will be in Pleasant Grove name instead of Metro name.

Chair Holdaway asked Trustee Beaumont what the advantage is in having them in District name instead of the City name. Trustee Beaumont replied that his understanding is that the Metro Water District doesn't have all of the constraints that a City does. Trustee Andrew interjected that under State code cities were never allowed to divest themselves of water rights. With the Metropolitan Water District they can sell and trade water rights where cities couldn't. Trustee Beaumont replied that that is correct.

Trustee Beaumont commented that the reason that they wait to get the water rights transferred into Metro's name is because they only want to pay for the actual price. It would have cost \$380,000 originally but it depleted down to \$262,292.00. Trustee Andrew remarked that they paid for the diligence amount and not the diversion amount. Trustee

Beaumont replied that that is correct.

MOTION: Trustee Bezzant moved that the District approve the water right purchase from St. John Properties. Trustee Andrew seconded the motion. The motion passed with Trustees Andrew, Beaumont, Bezzant, Holdaway, Pierpont voting Yea.

3. Review and Approve minutes of the May 12, 2021 meeting.

Chair Holdaway asked if there were any questions, comments or corrections on the May 12, 2021 minutes, being none, he called for a motion.

MOTION: Trustee Beaumont moved to approve the May 12, 2021 meeting minutes. Trustee Pierpont seconded that motion. The motion passed with Trustees Andrew, Beaumont, Bezzant, Holdaway, Pierpont voting "Yea."

Trustee Bezzant noted that he appreciates the initiative to obtain and preserve water rights, it is a positive thing. The Board agreed.

Director Roy reminded the Board members that the State Audit Training needs to be done before June 30, 2021 for those that have not taken the training.

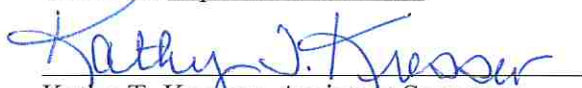
The Board agreed to hold the next Board meeting on September 15, 2021 to discuss the quarterly reports and other matters.

4. Adjourn.

ACTION: At 5:20 pm Trustee Beaumont moved to adjourn. Trustee Bezzant seconded the motion. The motion passed unanimously with Trustee's Andrew, Beaumont, Bezzant, Holdaway, and Pierpont voting "Yea."

The meeting adjourned at 5:20pm.

The Metropolitan Water District Meeting Minutes of June 23, 2021 were approved by the Board on September 15, 2021.


Kathy T. Kresser, Assistant Secretary

(Exhibits are in the City Records office)

