



NOTICE OF PUBLIC MEETING

OF THE

METROPOLITAN WATER DISTRICT OF PLEASANT GROVE

Notice is hereby given that the Board of Directors of the Metropolitan Water District of Pleasant Grove will hold a public meeting at **5:00 p.m. on Wednesday, May 11, 2022** in the Community Room 108 South 100 East, Pleasant Grove, Utah. This is a public meeting and anyone is invited to attend. ***Please note one or more members of the Board may be joining the meeting electronically.***

AGENDA

1. To consider for adoption a Resolution **(2022-01 MWD)** adopting the Metropolitan Water District of Pleasant Grove tentative budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023, and providing an effective date. *Presenter: Director Roy*
2. To consider for adoption a Resolution (2022-02MWD) adopting and implementing the Utah State Auditors Fraud Risk Assessment Program including establishing an Audit Committee and related matters and providing an effective date. *Presenter Director Roy*
3. Review Q3 of FY2022 budget. *Presenter Director Roy*
4. Review and Approve minutes of the January 19, 2022 Metropolitan Water District of Pleasant Grove meeting.
5. Adjourn.

CERTIFICATE OF POSTING

I certify that the above notice and agenda was posted in three public places within the Pleasant Grove City limits. Agenda also posted on State (<http://pmn.utah.gov>) and City websites (www.plgrove.org).

Posted by: /s/ Kathy T. Kresser, MWD Assistant Secretary

Posted: May 9, 2022

Time: 4:00 p.m.

Place: City Hall, Library and Community Room 108 S 100 E.

*NOTE: If you are planning to attend this public meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City Recorder, (801) 785-5045, forty-eight hours in advance of the meeting and we will try to provide whatever assistance may be required.

RESOLUTION NO. 2022-01 MWD

A RESOLUTION OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE, UTAH COUNTY, UTAH TENTATIVELY ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023.

WHEREAS, the Metropolitan Water District of Pleasant Grove (MWD) is an independent special service district; and

WHEREAS, the Metropolitan Water District of Pleasant Grove is required to adopt a budget annually; and

WHEREAS, the Metropolitan Water District of Pleasant Grove held a duly noticed Public Meeting on May 11, 2022 to tentatively adopt the Fiscal Year 2022/2023 budget; and

NOW, THEREFORE, BE IT RESOLVED that the Metropolitan Water District of Pleasant Grove, Utah County, State of Utah, does hereby tentatively adopt the proposed 2022/2023 budget, attached hereto as Exhibit "A".

PASSED AND ADOPTED by the City Council of Pleasant Grove City, Utah this 11th day of May, 2022.

Mark Bezzant, Chair

ATTEST:

Kathy T. Kresser, Assistant Secretary

Motion: Council Member _____

Second: Council Member _____

<u>ROLL CALL</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
Mark Bezzant	_____	_____	_____
Brian Andrew	_____	_____	_____
Frank Mills	_____	_____	_____
Paul Pierpont	_____	_____	_____
Neal Winterton	_____	_____	_____

Metropolitan Water District of Pleasant Grove

Enterprise Fund

	Prior Year Actual-2021	Beginning FY 2022 Budget	Amended FY 2022 Budget	Estimated Actual	Adopted FY 2023 Budget
Revenues					
Interest		-	-	-	-
Water Rental Revenues	-	-	-	-	250,000
Developer Contributions	110,172				
Cash in Lieu	473,653	150,000	150,000	278,544	150,000
Other Revenue	3,908	-	-	2,000	-
Total Revenues	587,734	150,000	150,000	280,544	400,000
Expenditures					
Audit	2,000	2,000	2,000	1,800	2,000
Water Share Acquisition		125,000	125,000	320,000	125,000
Principal Payments		-	-	-	-
Interest Payments	2,886	-	-		-
Capital Outlay					
Other Expenditures	150	1,000	1,000	100	1,000
Water Assesments	287,631	330,000	330,000	400,000	400,000
Total Expenditures	292,667	458,000	458,000	721,900	528,000
Change in Net Assets	295,067	(308,000)	(308,000)	(441,356)	(128,000)

RESOLUTION NO. 2022-02 MWD

A RESOLUTION OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE ADOPTING AND IMPLEMENTING THE UTAH STATE AUDITOR'S FRAUD RISK ASSESSMENT PROGRAM INCLUDING ESTABLISHING AN AUDIT COMMITTEE AND RELATED MATTERS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The Office of the State Auditor has mandated that the District complete a Fraud Risk Assessment; and

WHEREAS, the program is designed to help measure and reduce the risk of undetected fraud, abuse, and noncompliance with state requirements in local governments; and

WHEREAS, as part of the Fraud Risk Assessment, the District will need to implement a formal audit committee, internal audit function, and make available a fraud hotline; and

WHEREAS, the State Auditor's Fraud Risk Assessment Program requires an audit committee, an internal audit function, fraud hotline, and additional policies to professionally monitor District's financial functions.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Metropolitan Water District of Ple, Utah as follows:

SECTION 1:

The State Auditor's Fraud Risk Assessment Program is hereby ADOPTED by District.

SCOPE OF PROGRAM

AUDIT COMMITTEE: An Audit Review Committee is hereby ESTABLISHED to expand oversight of the audit procurement and monitoring of the audit function, from the selection of the independent auditor to the resolution of audit findings.

Committee: The Committee will consist of five (5) members: District Board Chair, District Board member, Pleasant Grove City Finance Director, Pleasant Grove City Mayor, and a Financial professional from another municipality or public organization. The members of the committee will serve up to three-year terms and will be responsible for the following:

- a. Recommend to the Board an independent firm of certified public accountants to perform the annual audit of the District;
- b. Analyze and report to the council significant findings in the annual audit report and make recommendations regarding such findings;
- c. Make recommendations, if any, to the Board regarding the following financial documents:
 - i. Annual financial statements,
 - ii. Management Letter submitted by the independent auditor, and
 - iii. Response to management letter submitted by Pleasant Grove City Finance Director.

INTERNAL AUDIT FUNCTION: An Internal Audit Function is hereby ESTABLISHED to monitor and analyze the entity’s own operations to determine how well it conforms to a set of specific criteria, such as laws, policies, or best practices. An internal audit may focus on financial operations, systems, processes, or compliance. Internal audits try to find discrepancies between operational design and operational reality.

Internal Committee: The Committee will consist of five members: District Board Chair, District Board member, Pleasant Grove City Finance Director, Pleasant Grove City Mayor, and a Financial professional from another municipality or public organization. The members of the committee will be responsible for the following:

- a. Complete one internal audit per fiscal year as directed by the Pleasant Grove City Finance Director,
- b. Prepare a written report with the findings from the audit to the District Board.

FRAUD HOTLINE: The District will provide a link on the Pleasant Grove City’s website to the Office of the State Auditor’s Hotline <https://auditor.utah.gov/hotline/>. The “State Auditor Hotline” provides an avenue for citizens, including public employees and contractors, to report their concerns about potentially improper governmental activities.

SECTION 2:

The provisions of this Resolution shall take effect immediately.

PASSED AND ADOPTED BY THE BOARD OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE OF PLEASANT GROVE, UTAH, this ? day of May, 2022.

Mark Bezzant, Board Chair

ATTEST:

(SEAL)

Kathy T. Kresser, MMC
City Recorder

Motion: Council Member _____

Second: Council Member _____

<u>ROLL CALL</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
Mark Bezzant	_____	_____	_____
Brian Andrew	_____	_____	_____
Frank Mills	_____	_____	_____
Paul Pierpont	_____	_____	_____
Neal Winterton	_____	_____	_____

METROPOLITAN WATER DISTRICT OF PLEASANT GROVE

STATEMENT OF CODE OF ETHICS AND RESPONSIBILITY

This is a form for the appointed board members of the Metropolitan Water District of Pleasant Grove to sign in support of following the guidelines outlined in The Office of the State Auditor Fraud Risk Assessment to annually commit in writing to abide by a statement of ethical behavior.

In addition to observing all applicable laws and regulations, we expect our board members to comply with our Code of Ethics.

Our Code of Ethics is a set of guidelines for ethical behavior, and it covers several areas, including:

Integrity and Honesty – Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing when it is hard.

Producing Results for My Community – Board Members have an important job. Doing that job well honors the trust the public has placed in me.

Treating People Fairly – I will treat people fairly and develop processes and procedures that are fair.

Diversity and Inclusion – Embracing diversity and fostering inclusiveness helps boards cultivate organizations and promote policies that reflect the communities they serve. When people feel included, they see that I am concerned for their wellbeing. That shows I am worthy of their trust.

Reliability and Consistency – When I consistently apply my standards – especially to myself- I honor my commitment to the district I serve and make it easier to the right thing even when faced with challenging circumstances.

Date

Signature

Print or type name

PLEASANT GROVE CITY CORP.
COMBINED CASH INVESTMENT
MARCH 31, 2022

COMBINED CASH ACCOUNTS

TOTAL COMBINED CASH

TOTAL UNALLOCATED CASH

CASH ALLOCATION RECONCILIATION

53 ALLOCATION TO METROPOLITAN WATER DIST.	584,794.06
TOTAL ALLOCATIONS TO OTHER FUNDS	584,794.06
ALLOCATION FROM GENERAL FUND - 10-11900	
ZERO PROOF IF ALLOCATIONS BALANCE	584,794.06

PLEASANT GROVE CITY CORP.
BALANCE SHEET
MARCH 31, 2022

METROPOLITAN WATER DIST.

ASSETS

53-11900	CASH ALLOCATED TO OTHER FUNDS	584,794.06	
53-16700	WATER RIGHTS & WATER STOCKS	9,623,065.86	
	TOTAL ASSETS		10,207,859.92

LIABILITIES AND EQUITY

LIABILITIES

53-21350	ACCRUED INTEREST PAYABLE	1,513.00	
53-24000	DEFERRED REVENUE	655,916.00	
53-24310	NOTES PAYABLE - LT PESERVOIR	189,133.00	
53-24320	NOTE PAYABLE CNT - PRESERVOIR	12,432.00	
53-24330	NOTES PAYABLE LT - PRIVER	2,917.00	
53-24340	NOTE PAYABLE CNT - PRIVER	840.00	
	TOTAL LIABILITIES		862,751.00

FUND EQUITY

	UNAPPROPRIATED FUND BALANCE:		
53-29000	UNAPPROP SURPLUS - BEGIN OF YR	9,773,653.11	
	REVENUE OVER EXPENDITURES - YTD	(428,544.19)	
	BALANCE - CURRENT DATE	9,345,108.92	
	TOTAL FUND EQUITY		9,345,108.92
	TOTAL LIABILITIES AND EQUITY		10,207,859.92

PLEASANT GROVE CITY CORP.
REVENUES WITH COMPARISON TO BUDGET
FOR THE 9 MONTHS ENDING MARCH 31, 2022

METROPOLITAN WATER DIST.

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	<u>MISCELLANEOUS</u>					
53-36-100	INTEREST EARNINGS	1,827.77	1,827.77	.00	(1,827.77)	.0
	TOTAL MISCELLANEOUS	1,827.77	1,827.77	.00	(1,827.77)	.0
	<u>UTILITIES REVENUE</u>					
53-37-113	CASH IN LIEU	278,544.00	278,544.00	150,000.00	(128,544.00)	185.7
	TOTAL UTILITIES REVENUE	278,544.00	278,544.00	150,000.00	(128,544.00)	185.7
	TOTAL FUND REVENUE	280,371.77	280,371.77	150,000.00	(130,371.77)	186.9

PLEASANT GROVE CITY CORP.
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 9 MONTHS ENDING MARCH 31, 2022

METROPOLITAN WATER DIST.

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DEPARTMENT 40</u>					
53-40-320 AUDIT	1,800.00	1,800.00	2,000.00	200.00	90.0
53-40-400 PROFESSIONAL SERVICES	100.00	100.00	.00	(100.00)	.0
53-40-480 DEPARTMENTAL SUPPLIES	.00	.00	1,000.00	1,000.00	.0
53-40-540 IRRIGATION WATER ASSESSMENTS	396,043.96	396,043.96	330,000.00	(66,043.96)	120.0
53-40-620 WATER SHARE ACQUISITION	310,972.00	310,972.00	125,000.00	(185,972.00)	248.8
TOTAL DEPARTMENT 40	708,915.96	708,915.96	458,000.00	(250,915.96)	154.8
TOTAL FUND EXPENDITURES	708,915.96	708,915.96	458,000.00	(250,915.96)	154.8
NET REVENUE OVER EXPENDITURES	(428,544.19)	(428,544.19)	(308,000.00)	120,544.19	(139.1)

Actual Amounts
All Accounts
Summarize Payroll Detail
Print Period Totals
Print Grand Totals
Include Invoice Number, Description, and Invoice Date Comments
Page and Total by Fund
All Segments Tested for Total Breaks
[Report].Account Number = "5336100" "5337112" "5337113" "5340320" "5340480" "5340540" "5340620"

Date	Journal	Reference Number	Payee or Description			Account Number	Debit Amount	Credit Amount	Balance
INTEREST EARNINGS			12/31/2021 (12/21) Balance			53-36-100			1,455.65-
01/31/2022	CRJE	107	PTIF INTEREST					204.30-	
			01/31/2022 (01/22) Period Totals and Balance				.00 *	204.30- *	1,659.95-
02/28/2022	CRJE	46	PTIF INTEREST					167.82-	
			02/28/2022 (02/22) Period Totals and Balance				.00 *	167.82- *	1,827.77-
03/31/2022	CRJE	286	PTIF INTEREST					212.28-	
			03/31/2022 (03/22) Period Totals and Balance				.00 *	212.28- *	2,040.05-
YTD Encumbrance		.00	YTD Actual	-2,040.05	Total	-2,040.05	YTD Budget	.00 Unearned	(2,040.05)
DEV. CONTRIB. FOR WATER SHARES			12/31/2021 (12/21) Balance			53-37-112			.00
			03/31/2022 (03/22) Period Totals and Balance				.00 *	.00 *	.00
YTD Encumbrance		.00	YTD Actual	.00	Total	.00	YTD Budget	.00 Unearned	.00
CASH IN LIEU			12/31/2021 (12/21) Balance			53-37-113			262,196.00-
02/17/2022	CR	6399375	PG DEALERSHIP - DRAKE REAL ESTATE SE Description: PG DEALERSHIP - DRAKE REAL ESTATE SERVICES					6,760.00-	
02/17/2022	CR	6399376	THAYNE/BOYD ESTATES SUBDIVISION - CY Description: THAYNE/BOYD ESTATES SUBDIVISION - CYNTHIA T BOYD					6,000.00-	
02/17/2022	CR	6399377	CASH IN LIEU OF/ DIRTY DOUGH COOKIES - Description: CASH IN LIEU OF/ DIRTY DOUGH COOKIES - WADE RASMUSSEN					632.00-	
			02/28/2022 (02/22) Period Totals and Balance				.00 *	13,392.00- *	275,588.00-
03/17/2022	CR	6400195	CASH IN LIEU OF- SOUTH CREEK OFFICES - Description: CASH IN LIEU OF- SOUTH CREEK OFFICES - GUNN CHIROPRACTOR					2,248.00-	
03/17/2022	CR	6400196	CASH IN LIEU OF- 391 W 7800 S UNIT 7 - KNI Description: CASH IN LIEU OF- 391 W 7800 S UNIT 7 - KNIGHT WEST BUILDERS					708.00-	
			03/31/2022 (03/22) Period Totals and Balance				.00 *	2,956.00- *	278,544.00-
YTD Encumbrance		.00	YTD Actual	-278,544.00	Total	-278,544.00	YTD Budget	-150,000.00 Unearned	(128,544.00)
AUDIT			12/31/2021 (12/21) Balance			53-40-320			1,800.00
			03/31/2022 (03/22) Period Totals and Balance				.00 *	.00 *	1,800.00
YTD Encumbrance		.00	YTD Actual	1,800.00	Total	1,800.00	YTD Budget	2,000.00 Unexpended	200.00

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
DEPARTMENTAL SUPPLIES			12/31/2021 (12/21) Balance	53-40-480			.00
			03/31/2022 (03/22) Period Totals and Balance		.00 *	.00 *	.00
YTD Encumbrance		.00 YTD Actual	.00 Total	.00 YTD Budget	1,000.00 Unexpended	1,000.00	
IRRIGATION WATER ASSESSMENTS			12/31/2021 (12/21) Balance	53-40-540			212,658.19
10/25/2021	AP	363	NORTH UNION, IRRIGATION CO. **Inv. No: 1018 **Desc: ASSESSMENT- PRIVATIZED WATER TREATMENT **Inv. Date: 10/25/2021		600.00		
10/25/2021	AP	364	NORTH UNION, IRRIGATION CO. **Inv. No: 1019 **Desc: ASSESSMENT- PRIVATIZED WATER TREATMENT **Inv. Date: 10/25/2021		300.00		
12/16/2021	AP	365	NORTH UNION, IRRIGATION CO. **Inv. No: 1125 **Desc: ASSESSMENT LATE FEE **Inv. Date: 12/16/2021		30.00		
12/16/2021	AP	366	NORTH UNION, IRRIGATION CO. **Inv. No: 1126 **Desc: ASSESSMENT LATE FEE **Inv. Date: 12/16/2021		30.00		
12/17/2021	AP	367	NORTH UNION, IRRIGATION CO. **Inv. No: 1169 **Desc: ASSESSMENT LATE FEE **Inv. Date: 12/17/2021		30.00		
12/17/2021	AP	368	NORTH UNION, IRRIGATION CO. **Inv. No: 1170 **Desc: ASSESSMENT LATE FEE **Inv. Date: 12/17/2021		30.00		
12/13/2021	AP	369	NORTH UNION, IRRIGATION CO. **Inv. No: 3114 **Desc: ASSESSMENT- CAMEROM ADAMS **Inv. Date: 12/13/2021		600.00		
01/26/2022	AP	614	PROVO RESERVOIR WATER USERS CO **Inv. No: 1301468 **Desc: WATER ASSESSMENT EXPENSE-W. WALKER **Inv. Date: 1/26/2022		74.24		
01/26/2022	AP	615	PROVO RESERVOIR WATER USERS CO **Inv. No: 1301469 **Desc: WATER ASSESSMENT EXPENSE-W. WALKER **Inv. Date: 1/26/2022		74.24		
01/19/2022	CD	190243	KIRK LAND & INVESTMENT REIMB. FOR ASSESSMENT FEES		5,650.00		
			01/31/2022 (01/22) Period Totals and Balance		7,418.48 *	.00 *	220,076.67
01/14/2022	AP	65	CENTRAL UTAH WATER CONSERVANCY **Inv. No: 12221 **Desc: 2022 ASSESSMENT **Inv. Date: 1/14/2022		130,105.44		
01/13/2022	AP	67	CENTRAL UTAH WATER CONSERVANCY **Inv. No: 12302 **Desc: 2022 POWER LOSS AT OLMSTED POWER PLANT **Inv. Date: 1/13/2022		19,404.89		
02/02/2022	CD	190351	PROVO RIVER WATER USERS ASSOC ASSESSMENT		10,296.00		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
02/02/2022	CD	190351	PROVO RIVER WATER USERS ASSOC ASSESSMENT		11,453.02		
02/02/2022	CD	190351	PROVO RIVER WATER USERS ASSOC ASSESSMENT		4,307.94		
			02/28/2022 (02/22) Period Totals and Balance		175,567.29 *	.00 *	395,643.96
03/23/2022	CD	190710	PAUL W SWENSON REIMB. FOR ASSESSMENT FEE		400.00		
			03/31/2022 (03/22) Period Totals and Balance		400.00 *	.00 *	396,043.96
YTD Encumbrance		.00 YTD Actual	396,043.96 Total	396,043.96 YTD Budget	330,000.00 Unexpended	(66,043.96)	
WATER SHARE ACQUISITION			12/31/2021 (12/21) Balance	53-40-620			265,492.00
01/12/2022	CD	190133	PATTERSON HOMES PURCHASE OF WATER SHARES		9,480.00		
01/19/2022	CD	190244	KENNETH H AND PURCHASE OF WATER SHARES		15,000.00		
			01/31/2022 (01/22) Period Totals and Balance		24,480.00 *	.00 *	289,972.00
02/16/2022	CD	190506	JAM 10, LLC PURCHASE OF WATER SHARES		3,000.00		
			02/28/2022 (02/22) Period Totals and Balance		3,000.00 *	.00 *	292,972.00
03/16/2022	CD	190692	JUDY ALLEN PURCHASE OF WATER SHARES		18,000.00		
			03/31/2022 (03/22) Period Totals and Balance		18,000.00 *	.00 *	310,972.00
YTD Encumbrance		.00 YTD Actual	310,972.00 Total	310,972.00 YTD Budget	125,000.00 Unexpended	(185,972.00)	
Number of Transactions: 28 Number of Accounts: 7					Debit	Credit	Proof
Total METROPOLITAN WATER DIST.:					228,865.77	16,932.40-	211,933.37
Number of Transactions: 28 Number of Accounts: 7					Debit	Credit	Proof
Grand Totals:					228,865.77	16,932.40-	211,933.37

Report Criteria:

Actual Amounts

All Accounts

Summarize Payroll Detail

Print Period Totals

Print Grand Totals

Include Invoice Number, Description, and Invoice Date Comments

Page and Total by Fund

All Segments Tested for Total Breaks

[Report]. Account Number = "5336100","5337112","5337113","5340320","5340480","5340540","5340620"

**MINUTES OF THE METROPOLITAN WATER DISTRICT
OF PLEASANT GROVE
January 19, 2022
5:00 pm**

PRESENT:

Mark Bezzant	Chair
Brian Andrew	Vice-Chair
Frank Mills	Board Trustee
Marty Beaumont	Board Trustee

STAFF PRESENT:

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

EXCUSED: Board Trustees Dave Holdaway and Paul Pierpont.

The Board of Trustees of the Metropolitan Water District of Pleasant Grove held a meeting on January 19, 2022 in the Community Room 108 S 100 E, Pleasant Grove Utah at 5:00 pm.

Chair Mark Bezzant welcomed everyone to the meeting and indicated that Board Trustees Dave Holdaway and Paul Pierpont were excused. He then noted that the meeting is being recorded and that no one from the public was in attendance.

1. Open and Public Meeting Act training. Presenter: Attorney Tina Petersen.

Attorney Petersen reminded the Board that they are supposed to get the Open and Public Meeting training once a year. She then explained that the Act specifically says that it is the intent of the Act is to aid in the conduct of the people's business and they are to take their actions openly and that their deliberations are to be conducted openly. The first thing to remember is that all meetings are open to the public, however there are some exceptions to the definition of meeting where a closed meeting can happen and it is closed to the public.

One of the main purposes of the Act is to make sure that you as a Board are not conducting business outside of a formal meeting like calling each other, texting each other, emailing each other and making decision about items that are on the agenda before you get into the meeting.

Attorney Petersen then explained the definition of a meeting. A meeting is defined as the convening of a public body when a quorum is present. The definition of "meeting" is qualified by the description that it must be for the purpose of discussing, receiving comments from the public about, or acting on a matter over which the public body has jurisdiction or advisory power. Social meetings are not subject to the Open and Public Meeting Act.

"Convening" is defined to mean the calling of a meeting of the public body by a person to

Please note that these are draft/pending minutes and subject to change depending on final approval from the Metropolitan Water District of Pleasant Grove.

1 do so, for the purpose of either discussing or acting on a matter over which that public body
2 has jurisdiction or advisory power.

3 The Act also requires that certain noticing requirements of the meeting are met, which the
4 secretary of the Board usually handles. The noticing must declare when, where and what
5 the meeting is about to ensure that the public has noticing of what the governing body is
6 going to discuss in the meeting. It is required by the state that the public body gives annual
7 notice of when the meeting will be held. Even if you noticed the meeting at the beginning
8 of the year you still need to give at least 24 hour notice prior to the meeting with the date,
9 time and place of the meeting.

10 Attorney Petersen continued on by saying the if for some reason the Board has to hold an
11 emergency meeting, noticing is required and given the best notice practical. An emergency
12 cannot be held unless an attempt has been made to notify all members of the public body
13 and a majority of the public body approves calling the meeting.

14 Agenda items need to be posted and if an item is not on the agenda final action cannot be
15 taken, however at the discretion of the chair an item brought up by the public can be
16 discussed, if not final action is taken on the matter.

17 There are some exceptions to the rule regarding closed meetings. These exceptions are very
18 narrow and they are spelled out in the Act. Some people think that the closed meeting
19 needs to be noticed on the agenda but that is not the case as long as the regular meeting is
20 noticed properly and 2/3 of the body vote to go into the closed meeting. As the City
21 Attorney for the Council she always advises that if they know they are going to go into a
22 closed meeting before the meeting is held it is put on the agenda so the public knows what
23 is going to be talked about. Trustee Andrew clarified that they could go into a closed
24 meeting as long as the meeting is open to the public first. Attorney Petersen answered in
25 the affirmative.

26 Chair Bezzant remarked that a question came up earlier when Trustee Pierpont informed
27 the Board that he wouldn't be able to attend the meeting tonight and was wondering if he
28 could call in. What is the rule in terms of that? Attorney Petersen replied that you can
29 appear electronically, but the statute requires the body to have an electronic meeting notice,
30 which you do, but it needs to be noticed at least 24 hours in advance that a member is going
31 to attend electronically. Trustee Andrew suggested that that notice be added to future
32 agendas because of Covid. Chair Bezzant agreed.

33 Next Attorney Petersen explained that another thing about closed meetings is that there is a
34 very limited exception. The list is quite long however not all pertain to this Board. The
35 Board can have a closed meeting if they are going to discuss the character, professional
36 competence or physical or mental health of an individual. Hold a strategy session to discuss
37 collective bargaining. Hold a strategy session to discuss pending or reasonably imminent
38 litigation. You can also hold a closed meeting to discuss the purchase, exchange or lease of
39 real property, which might also include water rights. Hold a strategy session to discuss the
40 sale of real property, deployment of security devices and the investigative proceeding
41 criminal intent.

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1 Attorney Petersen said that the minutes of the open meeting that includes any portion of a
2 closed meeting must state the reasons of the closed meeting, where the closed meeting was
3 held and the vote to go into the closed meeting. All open meeting must be recorded as well
4 as written minutes taken, you can not edit the recording. Any member of the public may
5 record the meeting, this may include either audio or video recordings. You do not,
6 however, have to let the recording interfere with the conduct of the meeting or preventing
7 the public from commenting.

8 The last item is that is a criminal offense to knowingly or intentionally violate the Open
9 and Public Meetings Act. A private individual can enforce the Act by bringing a law suit to
10 enforce the Act and the State Attorney General can investigate. Anything that is discussed
11 in the closed meeting must stay in the closed meeting. It is a criminal offense to violate the
12 closed meeting rules.

13 Chair Bezzant wondered about legal action, would Attorney Petersen represent the Board if
14 needed. Attorney Petersen answered in the affirmative. He then asked if there were any
15 further questions for Attorney Petersen, being none, he thanked Attorney Petersen for
16 coming and presenting.

17
18 **2. Review Q1 & Q2 of the FY2022 budget and final FY2021 Audit Report for the**
19 **Pleasant Grove Metropolitan Water District.**
20

21 Finance Director Denise Roy noted that the Board had asked to see the details to go along
22 with the expenditures of the budget. The first four pages is the first quarter, July to
23 September. This report shows cash in lieu of that has come in from developers. It also
24 shows the purchase of water shares. The next two pages is the detail of the quarter. The
25 next quarter is from October to December and she has printed the detail for both quarters.
26

27 In quarter two it shows that water assessments that have been paid and to whom they have
28 been paid. She noted that they were getting interest on the cash that they have and last year
29 she just dumped all of that together as one line item, this year she is doing it by month.
30

31 Trustee Beaumont explained that the acquisition of the water finally happened this year.
32 The intent was that the purchase wasn't supposed to happen until next year. He asked if
33 there is anything that needs to happen to make sure that that is covered. Director Roy
34 responded that they maybe ok but she would like to do a formal budget amendment. The
35 assessments were \$330,000 and the water share acquisition was \$125,000 so as long they
36 don't go over total budget then they should be ok. In the State of Utah the auditor would
37 give them a comment in the report if the expenses were over budget.
38

39 Trustee Andrew asked if the aquation was the water rights from the Valley Grove
40 Development. Are they still planning on acquiring the water rights? Trustee Beaumont
41 replied that the water shares have been acquired and paid for. The plan was to purchase the
42 water and then pay them back over five years, but it ended up being half of what was
43 expected, so they went ahead and paid for the water rights.
44

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1 Director Roy commented that what they will do is when they bring the FY2023 budget to
2 adopt they will also do a budget amendment of the FY2022 budget, both will require a
3 public hearing.

4
5 Next Director Roy went to the audit report. She noted that there are two separate audits
6 done, one for the city and one for Metro. The auditors do a separate audit then add them
7 together, but they do stand on their own. There were a couple of things that came up, she
8 then directed the Board to page 15 of the audit report. Some times that auditor asks for
9 confirmation from both debts. They have asked for confirmations on the first long term
10 debt that they have with Provo River Water Users (PRiWUA) but they have never asked
11 for on the Provo Reservoir Water Users Association (PReWUA) until this last year. When
12 she called them she found out that PReWUA had refinanced the debt which lowered the
13 interest rate for the debt. They were paying about \$19,000 a year to service the debt but
14 with the refinance they are now paying about \$17,000 a year. In the future she will provide
15 confirmation from both entities.

16
17 Director Roy remarked that the only comment that the auditors gave was that the District
18 did not present a Fraud Risk Assessment to the Board of Directors. She filled out one for
19 the City but not for the District. She will fill one out for the District and submit it and put it
20 on the website for FY2023. She then went over the Fraud Assessment form. One item on
21 the form asks if employees and elected officials are required to annually commit in writing
22 to abide by State and ethical behavior. The City doesn't do this but they sign a conflict of
23 interest disclosure. If the Board signs this then it would give 20 more points on the
24 assessment.

25
26 The last two things that the Board doesn't have points for but the City does. It asks if the
27 entity has a formal internal audit function and does the entity have a formal audit
28 committee. It doesn't mean that the Board has to do these 2 things but if you do then you
29 can get a total of 395 points. They actually earned 315 points which the scale which means
30 that the Board is a moderate fraud risk.

31
32 Trustee Mills asked if it would be beneficial to the Board to adopt the same policy that the
33 City has regarding fraud risk, would that take care of any of this? Director Roy replied that
34 she didn't think so, but if the Board would like a policy in place it can be done. She will get
35 something together and present it at the next Board meeting.

36
37 Chair Bezzant asked how many points would they get to just have an audit committee?
38 Director Roy answered that it would be 40 points which would put the Board in the low
39 fraud risk range. If they could get in writing to commit to abide by State and ethical
40 behavior, then that would give another 20 points. The Board agreed to get these polices in
41 place.

42
43 **3. Discussion on North Union Water Company concerns.**

44
45 Chair Bezzant said that he wanted this on the agenda for discussion because he sits on the

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1 North Union Board and they have some serious issues on getting water through the canal
2 and the leadership of the company. His suggestion would be that at the annual meeting in
3 February he would like to suggest that they nominate a new president for the company.
4 The City is a major stockholder of the company with 200 shares and the Pleasant Grove
5 Irrigation Company has 75 shares.

6
7 Trustee Andrew explained why they are concerned with the Company. Lindon City is
8 proposing to take their water out of the canal and if some of the other governmental entities
9 do the same thing that will leave a bunch of very small share holders to bear the burden to
10 get water down the canal. Lindon City and the others can get their water through other
11 methods.

12
13 Trustee Mills asked if there would be enough support from the stockholders to get new
14 leadership. Chair Bezzant answered in the affirmative.

15
16 Trustee Andrew noted that he attends the meeting because he is a consultant for Lindon
17 City and Trustee Beaumont and Chair Bezzant attend to represent Pleasant Grove City and
18 PG Irrigation.

19
20 Trustee Beaumont commented that there are going to be some tough decision that will need
21 to be made over the next few years with what Lindon is really going to do with the water
22 and with what Pleasant Grove and PGIC will need to do. Pleasant Grove already takes all
23 the North Union water that they can have. PGIC already takes their portion down the ditch
24 and the reality of that is there are some really complex things that each company is going to
25 have to address and North Union will be hard pressed to make all of it work.

26
27 Trustee Andrew remarked that if the other government entities take their water out there
28 will be about 40 shareholders owing 1-3 shares left. The government agencies own 94% of
29 the shares. He noted that North Union and Provo Bench water is very valuable and Central
30 Utah would like to buy those shares and even offered to trade ground water for them.

31
32 Trustee Mills suggested that Pleasant Grove City, Metro and PGIC send a letter of support
33 to the North Union Company to get new leadership in the Company. Chair Bezzant agreed
34 with that suggestion as he would like to protect the water rights.

35
36 Trustee Mills commented that another thing that needs to be brought up is that some of
37 these canals have right-of-way easements that need to be protected also. If they have to find
38 another right-of-way easement to get the water through the canal it can cost a lot of money
39 for the companies.

40
41 Chair Bezzant said that with the approval from the Board he will proceed forward.

42
43 **4. Review and Approve minutes of the September 19, 2021 Metropolitan Water**
44 **District of Pleasant Grove meeting.**

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1 Chair Bezzant asked if there were any corrections or comments on the minutes. Director
2 Roy noted that on the second page it should say expenditures instead of expenders.
3

4 **MOTION:** Trustee Beaumont moved to adopted the minutes of the September 19, 2021
5 Metropolitan Water Board meeting. Trustee Andrew seconded the motion. The motion
6 carried unanimously with Board Trustee Members Andrew, Beaumont, Bezzant and Mills
7 voting “Aye.”
8

9 **5. Adjourn.**
10

11 **MOTION:** At 6:11 pm Trustee Mills moved to adjourn. Trustee Andrew seconded the
12 motion. The motion passed unanimously with Trustee’s Andrew, Beaumont, Bezzant and
13 Mills voting “Yea.”
14

15 The meeting adjourned at 6:11 p.m.
16

17 The Metropolitan Water District Meeting Minutes of January 19, 2022 were approved by
18 the Board on May 11, 2022.
19

20
21 _____
22 Kathy T. Kresser, Assistant Secretary
23

(Exhibits are in the City Records office)