

**Tooele City Council  
Tooele City Redevelopment Agency and  
Tooele City Water Special Service District  
Joint Business Meeting**

Date: Thursday, May 17, 2007  
Time: 6:00 p.m.  
Place: Tooele City Hall Council Room  
90 North Main Street, Tooele, Utah

**Council Members Present:**

Mike Johnson, Chair  
Scott Wardle  
Steve Bevan  
Steve Pruden  
John Hansen

**City Employees Present:**

Roger Baker, City Attorney  
Cary Campbell, Public Works Director  
Paul Hansen, City Engineer

Minutes prepared by Elisa Jenkins

The meeting was called to order by Chairman Johnson at 6:00 p.m.

1. **Resolution 2007-27 & Resolution 2007-01 A Joint Resolution of the Tooele City Council and Board of the Tooele City Water Special Service District Authorizing the Mayor to Sign on Behalf of Tooele City and the District an Agreement with OM Enterprises, A Subsidiary of Kennecott Utah Copper Corporation, A Water Rights Transfer and Banking Agreement**

Presented by Roger Baker

Chairman Johnson asked if this resolution is appropriate for the Mayor to sign or should it be signed by the Tooele City Water Special Service District (the District) or the City Council. Mr. Baker stated that the resolution simply appoints the mayor to be the District's authorized designee. If the council would like to appoint one of their own they may.

Mr. Baker reported that this contract reflects about five years of hard work. An agreement has been reached that is acceptable to both parties. Kennecott and the District desire to enter into a water rights banking and transfer agreement. This contract states that Kennecott will transfer 13 Pine Canyon water rights to the Tooele City Water Special Service District. Kennecott will retain 4 of the Pine Canyon water rights for Kennecott's

use from its Carr Fork Service Shaft in Pine Canyon. The City and Kennecott will file a joint change application which will transfer the Pine Canyon water rights to the District. The city will give back to the Kennecott a Water Right Certificate; it entitles them to use the water rights conveyed to the District and associated with certain water sources for land developed throughout the city, they can assign a part of the certificate or chunks at a time.

Chairman Johnson asked what the acre foot of culinary water is the city hopes to get from this contract. He recalls about 1 acre foot is used per home.

Mr. Baker stated that it depends upon the State Engineer's Office. They would be pleased to get 3,000 acre feet. Wet water also needs to be developed out of the ground to go with those rights. Once this contract is signed they will begin working with Kennecott to identify where to explore for water. The state could come back and say they will only get 1,000 acre foot of water, they don't know at this time.

Councilman Pruden asked if Tooele would have accessibility to the sites they need. He was also concerned that Kennecott would be digging in Elton Tunnel; Mr. Hansen assured the council that they are not working in Elton tunnel.

Councilman Pruden was concerned that they would be "stepping on toes" when trying to access the sites.

Mr. Paul Hansen responded that not all the water rights are on Kennecott property. Some are owned by families. Councilman Pruden asked if the city will have conflicts with other water right holders. Mr. Paul Hansen responded that water rights have seniority. They will have to be looked at on a site by site basis.

Councilman Pruden asked if there are easements to get trucks across without harming the property of current residents. Mr. Baker stated that they will only be developing on Kennecott land.

Councilman Bevan has been asked by residents if drilling will affect their flow. Mr. Baker stated that it should not.

Chairman Johnson asked if there is a master ledger where water rights are subtracted so that they can be kept track of who has the water rights. Mr. Baker stated how the credits will be transferred to someone else, and that the city will keep track of them.

Mr. Paul Hansen stated that the water right certificate is only vested once a wet source of water is developed. It is the city's responsibility to develop water sources. This must be written into the certificate so the buyer is aware.

Mr. Baker stated that the agreement was drafted so that the conditional items will be stated in the certificate. The city can control the drafted agreement.

Mr. Hansen stated that one of the budget items should be looking at water sources. One million dollars has been set aside for this. Mr. Paul Hansen has already begun contacting well drillers. The earliest to start exploring and testing for wells would be in the early fall.

Chairman Johnson stated that this contract is very positive for Tooele. Kennecott is working positively with Tooele City. It has been a great negotiating process.

Mr. Paul Hansen stated that this document does have a right for Kennecott to reclaim water if the city fails to develop over a reasonable amount of time. They have done this agreement without spending any money.

Councilman Wardle stated that this is good for business development not just residential development.

Mr. Paul Hansen stated that this is in the line with the single lot developments and securing water rights. This does not lock people into only buying water rights from Kennecott.

Chairman Johnson stated that this is a positive step in helping the community.

Councilman Pruden thanked the staff for all their hard work in this project.

**Councilman Hansen moved to adopt Resolution 2007-27 of the Tooele City Council & 2007-01 of the Tooele City Water Special Service District.** Councilman Wardle seconded the motion. All members present voted “Aye”.

**2. RDA Resolution 2007-01 A Resolution of the Redevelopment Agency of Tooele City, Utah Consenting to a One-Year Extension of the Loan Guaranty of the Central School Condominium Project**

Presented by Roger Baker

Mr. Baker reported that Mr. Arbshay’s promissory note for the \$500,000 secondary loan for the Central School project was due February 1, 2007. The lender, Home Savings Bank, has offered to extend the note to February 1, 2008. The RDA’s loan guaranty agreement requires RDA consent for the term of the note to be extended. This Resolution provides the necessary consent.

**Councilman Hansen moved to adopt RDA Resolution 2007-01.** Councilman Pruden seconded the motion. All members present voted “Aye”.

**Councilman Wardle moved to adjourn the meeting.** Councilman Pruden seconded the motion. All members present voted “Aye”. The meeting adjourned at 6:30 p.m.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2007

Mike Johnson, Chair

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