

**Board Meeting Minutes  
December 4, 2013**

**MINUTES OF THE  
SPECIAL MEETING  
OF THE BOARD OF TRUSTEES OF  
MAGNA WATER DISTRICT**

A special board meeting of the Board of Trustees of the Magna Water District was held Wednesday, December 4, 2013, at 3:00 p.m. at the District's offices at 2711 South 8600 West, Magna, Utah.

**Trustees Present:**

Hank Johnson, Chairman  
Mick Sudbury  
Doug Bezzant

**Staff Present:**

Brent Williams, General Manager  
LeIsle Fitzgerald, District Controller  
Kim Bailey, Water Operations Manager  
Steve Williams, Wastewater Operations Manager

**Also Present:**

David Hartvigsen, Smith Hartvigsen, PLLC  
Don Olsen, Epic Engineering  
Clint Dilley, Epic Engineering  
Jack Weiss, Magna Resident  
Dan Peay, Magna Chamber of Commerce  
Georgia York, Magna Residence  
Dick Bezzant, Magna Residence  
Todd Richards, Magna Residence  
Jeff White, Board Elect

**Call to Order:**

Hank Johnson called the meeting to order at 3:00 p.m. and the public was welcomed.

**Welcome the Public and Guests.**

Hank Johnson welcomed the public and guests.

**Public Comments:**

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Jack Weiss inquired about the changes on the Administrative Rules and Regulations and schedule A. Jack asked why the public didn't get some type of information before the meeting.

Hank indicated that it's the regulations that describe the District's policies.

Dave Hartvigsen indicated that this will be the initial discussion on the agenda item and will be presented today which the Board could choose to act on the agenda item today or they could choose to delay action to another meeting. This was the first time that the changes to the AR&R were going to be presented. David also indicated that Schedule A is a schedule of the District's rates that are going to be discussed to be changed.

**Discussion and possible motion on changes to the Administrative Rules and Regulations:**

David presented the changes that need to be changed in order to keep the Rules and Regulations up to date and to comply with changes in State law. The following was discussed as changes to be made if approved:

1. Section 2.4.2: Consider to strike out the words "a majority of" from the paragraph stating that nothing shall prevent the Board from appointing committees of its own members to conduct investigations into the conduct of any officer, or cost center, ....
2. Section 3.9: Consider changing the word "majority" to "unanimous", regarding the removal of the General Manager. As it stands now it takes a majority vote to remove general manager changing it to unanimous would require a unanimous vote if change is approved. The change was made in the legislature to allow the Board to determine a voting standard among a three member board.
3. Section 3.17: Consider changing the word "majority" to "unanimous", regarding the removal of other officers. As it stands now it takes a majority vote to remove general manager changing it to unanimous would require a unanimous vote if change is approved. The change was made in the legislature to allow the Board to determine a voting standard among a three member board.
4. Section 4.10.3: Consider to add the word "be" to make the most grammatical sense.
5. Section 7.4.7: Consider to replace "ten" percent to "five" percent to comply with the new State procurement law regarding the awarding a contract to a lowest responsive and responsible bidder, in the event that all bids exceed the available funds by 5%, then the CPO is authorized to award the bid even though the bid exceeds the budget by 5%.
6. Section 7.7.1: Consider adding the word "or" to make the most grammatical sense. Exceptions to competitive bidding, you don't need to do a competitive bid where the ability "or" the fitness of the individual plays an important part. The paragraph is addressing professionals, if your hiring a professional the costs is not always the best option, if they are competent,

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abilities are what the District's needs then you don't have to get competitive bids. This is changed due to the new State procurement law.

7. Section 8.2.3.4: Consider adding the word "who" to make the most grammatical sense. Regarding a person may not be hired by the District who will be paid by District funds and "who" is a relative of any member of the Board of Trustees or officer or who will be directly supervised by a relative.
8. Section 8.2.6.2: Consider striking the word "two hundred seventy" and "without the approval of the General Manager" and inserting the words "one hundred eighty days". Setting a standard of probationary period of new hires and correcting the redundant statement since the General Manager is the only one who can approve the probationary period to be longer.
9. Section 8.2.6.3: Consider adding the statement at the end of the paragraph "and whether they have obtained the necessary certifications, licenses, and/or other required credentials". The paragraph addresses the evaluation of a new hire's performance and requirement to be met during its probationary period.
10. Section 8.2.6.4: Consider adding the statement "or fully comply with the provisions of these AR&Rs, specifically including the standards of conduct contained in Section 8.7" (the standards of conducts listed in the section). The paragraph addresses the termination of an existing employee that has moved into a new position and could not fulfill the requirements of the new job then the employee can be returned to a different position so long as the employee does not receive a reduction in salary.
11. Section 8.3.9.1: Consider adding the words at the end of the paragraph "a reasonably prompt time under the circumstances" and strike the words "thirty minutes", addressing the response time when on stand-by for the District.
12. Section 8.7.1.1.27: Consider adding "Failing or refusing", regarding the standards of conduct for an employee to obey lawful directives of supervisors pertaining to work duties.
13. Section 8.7.1.30: Consider adding the paragraph "Failing or refusing to obtain required certifications, licenses, or other required credentials in a timely manner as established by the General Manager. \*\*". A new standard of conduct added to the policies.
14. Section 8.7.1.1.31: Consider adding a new section number to the last standard of conduct that was moved down due to the adding of the 8.7.1.30. Consider adding the words "the provisions of these AR&Rs, specifically including", include in the standards of conduct the AR&R's as a whole and not just Section 8.7.
15. Section 9.1.3: Consider adding the words "and all costs due under applicable contracts", the change addresses the rates and costs of a nonstandard request of a customer in which the costs would be paid by the customer.

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16. Section 9.23.1: Consider adding the word “provided” striking the word “and” and adding the phrase “and for all contractual fees and/” and adding the phrase “and to the recording of a lien upon the real property receiving the services or otherwise associated with the fees or charges that are delinquent”. The changes address delinquent accounts with the District in which services are provided, or any valid charge for contractual services shall become delinquent 25 days after billing. It also states that past due accounts are subject to any penalties set forth in the fee schedule, and subject to a lien on the serviced property.
17. Section 9.27.6.2: Consider adding the word “presenting” and striking the words “possessed of an serving”, referring to the classification of private records and who is able to obtain those records.
18. Section 9.27.8: Consider expanding the acronym DCR to “Designation, Classification and Retention”, referring to the GRAMA act and the designating and classification and retention policies according to the Act and District policy.
19. Section 10.1: Consider changing the section to “11-36a-101” from 11-36-101” and changing the section to “11-36c-705” from 11-36-401 due to changes in the sections of State Law.
20. Section 10.2.1: Consider changing the words from “Capital facilities Plan” to “Impact Fee facilities Plan” and also changing section “11-36-201” to section “11-36a-301” due to changes in State Law.
21. Section 10.2.10: Consider changing the words from “Capital Facilities Plan” to “Impact Fee Facilities Plan”, due to changes in State Law.
22. Section 10.3.2.2: Consider changing section “17A-1-203” to “17B-1-111” due to changes in State Law.
23. Section 10.3.3: Consider changing “Capital Facilities Plan” to “Impact Fee Facilities Plan”, due to changes in State Law.
24. Section 10.3.4.3: Consider changing “Capital Facilities Plan” to “Impact Fee Facilities Plan”, due to changes in State Law.
25. Section 10.4: Consider changing “Capital Facilities Plan” to “Impact Fee Facilities Plan”, in Title of section and also in paragraph due to changes in State Law.
26. Section 10.4.1: Consider changing “Capital Facilities Plan” to “Impact Fee Facilities Plan” and changing section “17A-1-203” to “17B-1-111”, due to changes in State Law.
27. Section 10.10.9: Consider changing “Capital Facilities Plan” to “Impact Fee Facilities Plan”, due to changes in State Law.

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**Discussion and possible motion on proposed rates and schedule A of the AR&R's beginning January 1, 2014:** Don Olsen presented to the Board the proposed increases to the Schedule A Rates and Fees for Services, Penalties, Engineering and Inspection Fees. A cost evaluation was performed by Epic Engineering on the new developments that have come into the District to determine if the Fees were applicable. It was found that the fees were insufficient to cover the costs and in turn the District billed the developer for the difference. The Staff and Engineering recommends in increases in the fees in order to charge the developer up front instead of after the development was complete. It is proposed that the District Increase the following rates:

1.	Fire Hydrant Deposit	\$1000.00
2.	Fire Hydrant Meter Rental & Usage Fee	\$100.00
3.	Fire Hydrant Meter Rental & Usage Fee	\$25.00/week
4.	Fire Hydrant Meter Rental & Usage Fee	\$4.50/1000 gallons
5.	Legal Review Fee	\$200.00
6.	Relocation of Water Lateral and Meter Box	\$2,700.00
7.	Permanent Water and Sewer Line Disconnection (cut & cap) and Removal of Meter Box	\$1,500.00
8.	Hydraulic Modeling	\$450 + \$0.60/feet
9.	Bonding and Fee Calculations	\$300.00
10.	Extension Agreement, Submittal & Preconstruction Construction Fee	\$750.00
11.	Punch-list, Warranty Review & Project Acceptance Fee	\$500.00
12.	Asbuilt GIS Fee	\$250.00
13.	Legal Description & Easement Review Fee	\$400.00
14.	Special Service Area/DWSP Zone Review Fee	\$150.00
15.	Secondary Water Cost Share/Upsize Review Fee	\$300.00
16.	Pretreatment Review Fee	\$200.00
17.	Water Mainline Construction Inspection Fee	\$350 + \$0.60/ft.
18.	Sewer Mainline Construction Inspection Fee	\$350 + \$0.90/ft.
19.	Sewer Mainline Video Inspection Fee	\$175 + \$0.83/ft.
20.	Manhole Inspection Fee	\$350.00
21.	Large Meter Periodic Filter/Sampling Inspection Fee	\$85.00
22.	Water Lateral Tap Inspection Fee	\$85.00
23.	Water Lateral Connection Inspection Fee	\$85.00
24.	Sewer Lateral Connection Inspection Fee	\$240.00
25.	Sewer Special Wye Construction Inspection Fee	\$85.00
26.	Asbuilt GPS Survey Fee	\$250.00
27.	Pressure Testing, Punch-list & Warranty Inspections Fee	\$500.00
28.	Re-inspection and Inspection Overages	\$66.00/hr.

Don then reviewed what the proposed service rates were based on evaluation of the District's finances and the Impact Fee Facilities Plan that was updated recently. Below are the current rates for Services of the District:

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Year	Description	2013
Tier 1	Base Rate per RE - for first 6,000 gal/month	\$14.31
Tier 2	(\$/1000 gal) 6,001 gal/month to 18,000 gal/month	\$1.35
Tier 3	(\$/1000 gal) 18,001 gal/month to 30,000 gal/month	\$1.51
Tier 4	(\$/1000 gal) over 30,001 gal/month	\$1.72

Secondary Water	Description	2013
Base Rate	Lot Size: 0-0.49 Acre	\$4.50
Tier 1	(\$/1,000 gal) 0 - 45,000 gal/month	\$0.55
Tier 2	(\$/1,000 gal) 45,001 - 75,000 gal/month	\$0.65
Tier 3	(\$/1,000 gal) over 75,001 gal/month	\$0.98
Base Rate	Lot Size: 0.50-0.99 Acre	\$9.00
Tier 1	(\$/1,000 gal) 0- 90,000 gal/month	\$0.55
Tier 2	(\$/1,000 gal) 90,001 - 150,000 gal/month	\$0.65
Tier 3	(\$/1,000 gal) over 150,001 gal/month	\$0.98
Base Rate	Lot Size: 1 Acre or Larger	\$22.50
Tier 1	(\$/1,000 gal) 0 - 225,000 gal/month	\$0.55
Tier 2	(\$/1,000 gal) 225,001 - 375,000 gal/month	\$0.65
Tier 3	(\$/1,000 gal) over 375,001 gal/month	\$0.98

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Sanitary Sewer	Description	2013
Tier 1	Base Rate - Monthly Rate per RE	\$18.79
*Tier 2	\$/1,000 gallons of metered culinary water over 267 gallons per day	\$0.53

The proposed rates are as follows:

Culinary Water Rate		New Rates Effective January 1st of Each Year													
		2014	2015	2016	2017	2018	2019	Current Rate	2014	2015	2016	2017	2018	2019	
Culinary Water	Description														
Tier 1	Base Rate per RE - for first 6,000 gal/month	\$14.31	\$15.47	\$16.09	\$16.74	\$17.41	\$18.10		\$14.88	\$15.47	\$16.09	\$16.74	\$17.41	\$18.10	
Tier 2	(\$/1000 gal) 6,001 gal/month to 18,000 gal/month	\$1.35	\$1.50	\$1.61	\$1.73	\$1.89	\$2.08		\$1.42	\$1.50	\$1.61	\$1.73	\$1.89	\$2.08	
Tier 3	(\$/1000 gal) 18,001 gal/month to 35,000 gal/month	\$1.51	\$1.68	\$1.80	\$1.95	\$2.12	\$2.33		\$1.59	\$1.68	\$1.80	\$1.95	\$2.12	\$2.33	
Tier 4	(\$/1000 gal) over 35,001 gal/month	\$1.72	\$1.91	\$2.05	\$2.21	\$2.41	\$2.65		\$1.81	\$1.91	\$2.05	\$2.21	\$2.41	\$2.65	
Increase Base Rate per Year		N/A	4.00%	4.00%	4.00%	4.00%	4.00%		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Increase Tier Rate per Year		N/A	6.00%	7.00%	8.00%	9.00%	10.00%		5.00%	6.00%	7.00%	8.00%	9.00%	10.00%	

Secondary Water Rate		New Rates Effective January 1st of Each Year												
		2014	2015	2016	2017	2018	2019	Current Rate	2014	2015	2016	2017	2018	2019
Secondary Water	Description													
Base Rate	Lot Size: 0-0.49 Acre	\$4.50	\$4.87	\$5.06	\$5.26	\$5.47	\$5.69		\$4.68	\$4.87	\$5.06	\$5.26	\$5.47	\$5.69
Tier 1	(\$/1,000 gal) 0 - 45,000 gal/month	\$0.55	\$0.64	\$0.69	\$0.75	\$0.81	\$0.87		\$0.59	\$0.64	\$0.69	\$0.75	\$0.81	\$0.87
Tier 2	(\$/1,000 gal) 45,001 - 75,000 gal/month	\$0.65	\$0.76	\$0.82	\$0.88	\$0.96	\$1.03		\$0.70	\$0.76	\$0.82	\$0.88	\$0.96	\$1.03
Tier 3	(\$/1,000 gal) over 75,000 gal/month	\$0.98	\$1.14	\$1.23	\$1.33	\$1.44	\$1.56		\$1.06	\$1.14	\$1.23	\$1.33	\$1.44	\$1.56
Base Rate	Lot Size: 0.50-0.99 Acre	\$9.00	\$9.73	\$10.12	\$10.53	\$10.95	\$11.39		\$9.36	\$9.73	\$10.12	\$10.53	\$10.95	\$11.39

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Tier 1	(\$/1,000 gal) 0- 90,000 gal/month	\$0.55	\$0.59	\$0.64	\$0.69	\$0.75	\$0.81	\$0.87
Tier 2	(\$/1,000 gal) 90,001 – 150,000 gal/month	\$0.65	\$0.70	\$0.76	\$0.82	\$0.88	\$0.96	\$1.03
Tier 3	(\$/1,000 gal) over 150,000 gal/month	\$0.98	\$1.06	\$1.14	\$1.23	\$1.33	\$1.44	\$1.56
Base Rate	Lot Size: 1 Acre or Larger	\$22.50	\$23.40	\$24.34	\$25.31	\$26.32	\$27.37	\$28.47
Tier 1	(\$/1,000 gal) 0 – 225,000 gal/month	\$0.55	\$0.59	\$0.64	\$0.69	\$0.75	\$0.81	\$0.87
Tier 2	(\$/1,000 gal) 225,001 – 375,000 gal/month	\$0.65	\$0.70	\$0.76	\$0.82	\$0.88	\$0.96	\$1.03
Tier 3	(\$/1,000 gal) over 375,000 gal/month	\$0.98	\$1.06	\$1.14	\$1.23	\$1.33	\$1.44	\$1.56
Increase Base Rate per Year		N/A	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Increase Tier Rate per Year		N/A	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

**Sanitary Sewer Rates**

Sanitary Sewer	Description	Current Rate	New Rates Effective January 1st of Each Year						
			2014	2015	2016	2017	2018	2019	
Tier 1	Base Rate - Monthly Rate per RE	\$18.79	\$20.29	\$21.91	\$23.66	\$25.56	\$27.60	\$29.81	
Tier 2*	\$/1,000 gallons of metered culinary water over 267 gallons per day	\$0.53	\$0.61	\$0.70	\$0.81	\$0.93	\$1.07	\$1.23	
Increase Rate every year by		N/A	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	
Overage Increase every year by		N/A	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	

\* Excludes residential connections





**PROPOSED EMERGENCY RESPONSE CLEAN UP FUND**

**Purpose**

Generate a "No Fault" fund to be used to pay for dwelling cleanup in the event of a sewer plugging causing a backup or a water leak, either resulting in flooding of dwelling or business structures.

**Estimated cost**

15	Assumed number of dwellings flooded for maximum event
\$10,000	Estimated initial cleanup cost/per dwelling
\$ 5,000	Estimated building contents replacement costs/per dwelling
<u>\$15,000</u>	Estimated structural repair /per dwelling
\$30,000	Cost per dwelling
(30,000) x (15)=	\$450,000 Recommended reserve fund size

**FUNDING AMOUNT:**

\$230,000 2013 event  
\$450,000 Future event  
\$680,000 Total

**FUNDING OPTION:**

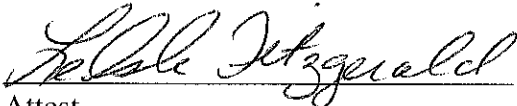
\$0.95 per RE until amount is collected  
(\$680,000/9,000 connections/\$0.95)= 79.53 months  
6.6 years

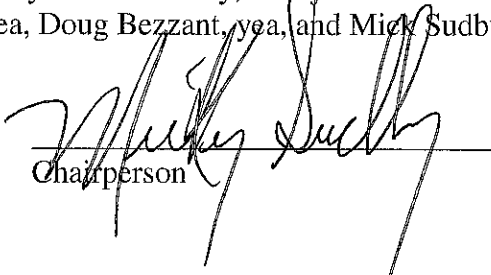
Don also indicated that there will be a reduction to the fluoride cost, because the infrastructure is paid for.

**Discussion and possible motion on managers wage increase for 2014:** A motion was made by Mick Sudbury, seconded by Hank Johnson, to postpone and table the agenda item. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

**Other Business:** None

**Adjourn:** Motion was made by Doug Bezzant, seconded by Mick Sudbury, to adjourn the meeting at 5:00 p.m. Motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

  
Attest

  
Chairperson