

**Board Meeting Minutes
June 23, 2011**

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

A regular meeting of the Board of Trustees of the Magna Water District was held Thursday, June 23, 2011, at 3:00 p.m. at the District's offices at 2711 South 8600 West, Magna, Utah.

Trustees Present:

Hank Johnson, Chairman
Doug Bezzant
Mickey Sudbury

Staff Present:

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

Also Present:

David Hartvigsen, Smith Hartvigsen, PLLC
Don Olsen, Epic Engineering
Clint Rogers, Carollo Engineers
Danny Barlow, Pinnock Robins Posey and Richins
Jason Wheeler, Pinnock Robins Posey and Richins

Call to Order:

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

Approval of Consent Items:

Minutes of Board meetings held April 14, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the regular board meeting minutes dated April 14, 2011. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

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Minutes of Board meetings held May 12, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the regular board meeting minutes dated May 12, 2011. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

Expenses for May 11, 2011 to June 17, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to approve the expenses in the amount of \$948,239.91. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Public Comments: None

Presentation of 2010 Annual audit by Pinnock, Robins, Posey and Richins: Danny Barlow and Jason Wheeler presented to the Board the 2010 audit indicating that the audit was presented fairly in accordance with generally accepted accounting principles. The auditors also test for compliance with government auditing standards. The auditors did not find any significant deficiencies. The auditors did not identify any areas of compliance that needed to be communicated to the Board. The auditors also indicated that the District is in compliance with all State Compliance requirements.

Motion to approve the annual audit as presented: A motion was made by Mick Sudbury, seconded Doug Bezzant, to approve the 2010 audit as presented. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Discussion on 2011 certified tax rate. Motion to approve resolution #2011-02 Adopting final 2011 tax rates: LeIsle indicated to the Board that the District will be levying the amount of taxes needed for general obligation bonds and that the certified tax rate that was calculated by the County was still over maximum because of reduction of valuations so the District does not need a tax increase at least for 2012. A motion was made by Doug Bezzant to approve the resolution 2011-02 adopting the final 2011 tax rate as follows: Debt service at 0.001857 and certified rate is 0.000947 for a total tax rate for 2011 at .002804. The motion was seconded by Mick Sudbury and approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Discussion and possible motion to contract the Trustee election with Salt Lake County Elections department: LeIsle explained to the Board the position and duties that the County would perform for the election. The county gave the District an estimate of the cost to the District ranging from \$7,500 to almost \$16,000. The costs will be divided among the entire local Districts that contract with the County which will be based on number of registered voters in the District. Upon discussion of the Board, a motion was made by Doug Bezzant, seconded by Mick Sudbury to approve entering into an inter-local agreement with the Salt Lake County Elections. The motion was approved as follows: Doug Bezzant, yea, Mick Sudbury, yea and Hank Johnson, yea.

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Motion to approve the award of the 3500 S secondary water pump station upgrade: Brent indicated to the Board that the District originally budgeted for a high zone pump station, which is bid schedule A. When writing the bid schedule for it, the engineer and staff looked at adding another pump to the low zone which will be needed in the future with the expansion that is going on. Engineer and staff added bid schedules to include another pump station to see what the bid would come in at. Seven bidders bid on the job. Hills Construction came in at low bidder for all of the schedules at \$139,929. The original budget amount was \$75,000. The project would go over budget, however, there will be impact fee money left from the 2820 project to use on the pump station project. By going ahead with all of the bid schedules, it will, in the long run, save the District money. Upon the discussion and recommendation by staff, a motion was made by Mick Sudbury, seconded by Doug Bezzant to proceed with all bid schedules in the amount of \$139,929. The motion was approved as follows: Doug Bezzant, yea, Mick Sudbury, yea and Hank Johnson, yea.

Motion to approve change order #1 for the fine screen facility project: Clint Rogers presented to the Board change order #1 in the amount of \$16,800 of which \$3,521 will be reimbursed by Carollo Engineers. A motion was made by Mick Sudbury, seconded by Doug Bezzant, and approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Discussion and possible motion on a preliminary review for modifications to the solids handling building in the amount of \$10,000 by Carollo Engineers: Board tabled this discussion.

Discussion and possible motion to purchase recommended stock parts for the EDR plant in the approximate amount of \$78,747.29: Brent informed the District that GE came out for their first quarter maintenance visit, on that visit they came out with a list of recommended stock items that they felt the District should have on hand, critical items that could put the plant out of service one of the items went down. Brent and Kim have reviewed the list and have added or subtracted some. Staff requests approval of the whole \$78,747.29 but will stock the items little by little as budget permits. A motion was made by Doug Bezzant to approve the purchase of the critical stock items in the amount of \$78,747.29. The motion was seconded by Mick Sudbury and approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Discussion on increase of medical insurance from Utah-Idaho Teamsters Security Fund in the amount of \$71.34: LeIsle informed the board that there was an increase to the Utah-Idaho Teamsters Security Fund. In January 2011 the union contract negotiated that the District will cover 97% and the employees cover 3% of the increase.

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Water Distribution/Production:

1. Kim Bailey indicated that the waterline on 7200 W and 2820 is pretty much complete. The contractor is asphaltting. 67 secondary connections were done. Of those 67 we have had 34 people come in and sign up and expect more. Noland and Sons have offered to complete the loop at the canal when it is ready to go and will provide the District with a cost to complete it; otherwise staff will complete the loop.

2. Kim Bailey indicated to the Board that water production was down 15% for the month of May and down 6% year-to-date. Water delivers an average of 3 MGD.

WWTP Operation/Collection System:

1. Steve Williams informed the Board that a dear friend and colleague had passed away, Lyle Ford. Steve reported that the projects are going well. Collections are cleaning 8000 W to 7200 W on the South side of 3500 S. The wastewater crew is doing landscape cleanup, cleaning the clarifier for algae at least once a week. Fine screen is coming along now the weather is cooperating. A completion date is targeted at August 8, 2011. The foundation is poured and the walls are poured. The equipment is here.

Meet in closed session immediately to discuss personnel issues: Motion was made to meet immediately in closed session by Doug Bezzant, and seconded by Mick Sudbury. Motion was approved as follows: Mickey Sudbury, yea, Doug Bezzant, yea and Hank Johnson, yea at 4:02 p.m.

Chair entertained a motion to close the closed session and reopen the public meeting at 5:04 p.m. Motion was made by Mick Sudbury, seconded by Doug Bezzant. Motion was approved as follows: Mickey Sudbury, yea, Doug Bezzant, yea and Hank Johnson, yea.

Motion to approve closed meeting minutes dated April 14, 2011: Mick Sudbury made a motion to approve the closed meeting minutes dated April 14, 2011. The motion was seconded by Doug Bezzant and approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Other Business:

Hank Johnson requested a new sign for the main office building. It is not working and is very old.

David Hartvigsen updated the Board on legislative matters:

The GRAMA Act committee appears that they aren't going to recommend any changes.

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There is a proposal that is being floated in the government operations and political subdivisions committee that is going to require governmental entities to submit a plan to the state if there is a reduction in federal funds. If local government funds are cut, the state wants a plan if it is cut 5% or more, and another plan if its cut 25% or more. How the entity would continue to operate. That is in a discussion stage right now.

They are talking about a rewrite of the procurement code and making it mandatory on all governmental entities. Comments were that one size does not fit all.

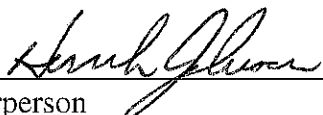
They are talking about the elections law to try and simplify it and at the same time they have the potential of more complications.

A ton of little amendments to the water law basically clean up changes. No significant changes as of yet. There are two task forces that are looking at those. One that would benefit the district would allow the District to use the state's AAA rating for bonding.

Adjourn: Motion was made by Mick Sudbury, seconded by Doug Bezzant, to adjourn the meeting at 5:11 p.m. Motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mickey Sudbury, yea.



Attest



Chairperson