

**Board Meeting Minutes
March 8, 2012**

**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, March 8, 2012, 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 Manager
Steve Williams, Wastewater Operations Manager

Also Present:

David Hartvigsen, Smith Hartvigsen, PLLC
Don Olsen, Epic Engineering
Dan Peay, Magna Resident
Dick Bezzant, Magna Resident
Jack Weiss, Magna Resident
Dan Stewart, Magna Resident
Brett Hales, Magna Resident

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 February 9, 2012: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the regular board meeting minutes dated February 9, 2012. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

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Minutes of special board meetings held February 9, 2012: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the special board meeting minutes dated February 9, 2012. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

Expenses for February 4, 2012 to March 2, 2012: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to approve the expenses in the amount of \$117,856.24. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Bond Payment for February 4, 2012 to March 2, 2012: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to approve the bond payment to Zion's Bank in the amount of \$103,548.06. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Public Comments:

Jack Weiss: Jack inquired where the water came from that everyone was drinking. Everyone replied that it was from home or from the tap at the office.

Motion to approve the non-potable water line revision at the wastewater treatment plant in the amount of \$17,500 from Alder Construction: Steve Williams indicated to the board that this is a revision at the BIOBROx effluent line. It's to take the effluent water straight to the oxidation ditch. Best bid on the project was from Alder Construction for \$17,500. This is 7 – 10 days lead time and 2 -3 days labor. The project wouldn't take long. A motion was made by Doug Bezzant, seconded by Mick Sudbury to approve the revision at the wastewater treatment plant in the amount of \$17,500 from Alder Construction. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Motion to approve the 7-11 project located on 7200 W Gates Avenue: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the 7-11 project on Gates Avenue. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Motion to approve Entheos Academy Charter School located at 2600 S 7200 W: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the Entheos Academy Charter School. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Discussion and possible motion on District vehicle leasing: Brent indicated that the District has evaluated the District's costs versus purchase. LeIsle reviewed the study, indicating that three vehicles were chosen to perform the study on. Reviewing the repair and labor costs on those vehicles, the District cost per mile was an average of \$0.31. The comparison showed an

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estimated savings of \$68,000 in a four year period on a lease vs. purchase.

Doug wondered what the cost would be if the leased vehicles were kept longer than the lease period. Obviously it would cost the district more the older the vehicle gets.

Hank indicated that the first two years the District is operating under the vehicle's warranty. David indicated that after the 5 years it wouldn't matter if you leased or purchased them, from that point on the costs are identical. The question is whether you paid cash up front or leased them over a period of time at a low interest rate.

Dick inquired when the public could see the study. Brent indicated that it was available now, but would require a GRAMA request be filled out.

Mick indicated that Ken Garff has the state bid on leasing; Mick would like to check with other dealerships to make sure that this lease is the best lease available. Brent indicated that the District checked initially.

David indicated that he attended a leasing session in St. George at Rural Water Conference. He learned that Ken Garff leasing program uses the state purchase price. The starting point of the lease is the state purchase price rather than any other price. The District's lease is with Zion's Bancorp at 2.8%.

Doug inquired if the District could buy out the vehicles at any time. The District can purchase the vehicle at any time during the lease. That would defeat the purpose of rotating the vehicle out every 2 years and staying under the vehicle warranty. The District has the options of purchasing, rotating or terminating the lease.

Dan Peay indicated that there is a sweet spot that costs are so low and they start to average out a bit, which is when people usually get rid of them. Anybody that leases a vehicle usually does not keep them for 150,000 miles.

Dick Bezzant stated, 150,000 at 0.31/mile is \$45,000 in repairs. \$45,000 for 150,000 miles, Dick asked Dan Peay if he had spent \$45,000 on his truck because it has about 150,000 miles. Dick disagreed that people would spend \$45,000 on their truck.

Doug asked if he could get with management and look at the vehicles. Management indicated that they could next week.

Board chose to table any decisions until next board meeting.

Update on Rural Water Conference: Brent informed the Board that the District was presented an award for the best water district over a population of 10,000. He reported that the conference was very good and well attended, over 1,000 district employees around the valley attended the conference.

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Update on use of district vehicles: Doug reminded the other members of the Board and staff to remind employees that personal use of district vehicles is prohibited and if it continues, all the vehicles will be pulled back and parked.

Water Distribution/Production:

1. **Water production report:** Kim Bailey indicated to the Board that water production was down 19% for February and down 9% year to date. Water delivers an average of 2.1 MGD.
2. **Update on reservoir painting:** Kim reported that the 5 million gallon reservoir is finished; they will start chlorinating that tank and filling up on Monday. The 8 million will be next, that should be ready to fill in two weeks. Then the remaining metal tanks will be after that. The weather has to be warmer to do the metal tanks.
3. **Call out report:** Kim informed the Board that there were 2 call outs for leaks; of those 1 was a mainline and crews were called out. Two emergency call outs at the EDR, had to restart. Emergency blue stake for Questar, and a customer was without water. The average response time was 12-15 minutes.

WWTP Operation/Collection System:

1. **Operations report:** Steve indicated to the Board that the collections crew is doing their normal maintenance; blue staking jetting and camering the lines weather permitting. They completed the block wall around the treatment plant. The Smart Company wants to come in and do a free demo on some manhole lids that are deteriorating. Wastewater; the maintenance and operating procedures are constant. The annual sludge that was hauled out in 2011 was 316 loads from our plant to ET, about 4,500 ton of sludge. Tony Peterson has been nominated for outstanding operator in the state for plants less than 5 MGD and the winner will be announced at the WEAU conference.
2. **Call out report:** Steve indicated that they had one callout at the wastewater plant; it was a SCADA problem with the headworks and had to be reset. One call out was for the collections crew, frost plate problem on a meter. The average response time was about 20 minutes.

Other Business:

Brent indicated that the District is going to get started on the well that is in this year's budget. The District has to make application to the State.

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David shared a legislative report to the District:

Laws that might affect the District:

42 pages long over 100 bills, addressing the elections law, impact fee changes, GRAMA Act, one of them has passed allowing for creation of the GRAMA Act Ombudsman so if there are questions to any record there would be an Ombudsman to help referee that.

Local government ethics bill, stating a process to review ethical conduct of elected officials and the chief officer of the District. The Bill focuses mainly on the conflict of interest issues and the process for addressing conflicts. That one has passed just yesterday.

Taxing authority for local districts will be studied during the interim.

A lot of other smaller issues regarding employees and benefits, retirement none of these changed.

There were a number of water right related ones to clean up the process.

WEAU Conference, April 17 – 20, 2012, St. George, UT: Brent indicated that the operator's challenge team will be sent plus, Brent Williams, Steve Williams, and any other trustee that would like to attend. The Team consists of Rob Jaterka, Clint Giles, Beau Lamper, Ed Tucker, and Dallas Henline. A motion was made by Mick Sudbury to send those individuals to the conference. The motion was seconded by Doug Bezzant and approved as follows: Mick Sudbury, yea, Hank Johnson, yea and Doug Bezzant, yea.

Adjourn: Motion was made by Mick Sudbury, seconded by Doug Bezzant, to adjourn the meeting at 3:52 p.m. Motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea, and Mickey Sudbury, yea.

Attest

Chairperson