

**Board Meeting Minutes
June 19, 2014**

MINUTES OF THE
REGULAR BOARD 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 19, 2014, at 5:04 p.m., immediately following the pre board meeting workshop, at the WWTP Administration Office, 7764 W 2100 S, and Magna, Utah.

Trustees Present:

Mick Sudbury, Chairman
Jeff White
Georgia York

Staff Present:

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

Also Present:

Don Olsen, Epic Engineering
David Hartvigsen, Smith Hartvigsen PLLC
Clint Dilley, Epic Engineering
Jason Wheeler, Pinnock Robins Posey & Richins
Wade Watkins, Pinnock Robins Posey & Richins
Todd Richards, Magna Resident
Carolyn Richards, Magna Resident
Verl Myers, Magna Resident
Clint Rogers, Carollo Engineers
Dick Bezzant, Magna Resident
Greg Christensen, Jordan Valley Water Conservancy District
Board Member

Call to Order:

Mick Sudbury called the meeting to order.

Welcome Public Guests.

Mick Sudbury welcomed the public and guests.

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Approval of Common Consent Items:

Minutes of workshop meeting held May 8, 2014, special executive board meeting held June 4, 2014: The Chair asked if there were any corrections or additions to the minutes of May 8 and June 4, 2014. There were no corrections. A motion was made by Georgia York, seconded by Jeff White, to adopt as official minutes as written. The motion was approved as follows: Georgia York, yea, Jeff White, yea, and Mick Sudbury, yea.

Expenses for May 8, 2014 – June 13, 2014: A motion was made by Georgia York, seconded by Jeff White, to approve the expenses in the amount of \$624,231.96. The motion was approved as follows: Mick Sudbury, yea, Jeff White, yea, and Georgia York, yea.

Bond Payment to Zion's Bank: A motion was made by Georgia York, seconded by Jeff White, to approve the bond payment to Zion's Bank in the amount of \$67,299.88. The motion was approved as follows: Mick Sudbury, yea, Jeff White, yea, and Georgia York, yea.

Public Comments:

Chair recognized **Todd Richards:**

Todd Richards asked the board if they would consider going to a 5 member board, instead of 3, if one is missing, and leaving two. A better balance of power would be achieved with 5 board members, rather than just three.

Chair recognized **Greg Christensen:**

Greg recommended to Staff and Board that they use resources from Jordan Valley Water Conservancy District for the conservation pamphlet that would help with the cost. Staff is using the resources from JVVCD. Kim indicated that he and LeIsle are on the conservation committee of member agencies.

Greg also referred to the conservation grant offered to member agencies for conservation efforts. The District did use the grant last year and anticipates applying for the grant again next year. The District tried to apply for the grant this year but the 20% of the project was still more than what the District had budgeted so it was decided that the District apply next year for the grant.

LeIsle also indicated that in March the District did agree to insert a bill stuffer regarding conservation from JVVCD.

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Chair recognized **Dick Bezzant**:

Dick recommended to the Board that they allow public make comment at each agenda item in the public board meeting. He understood that people could only comment on items at the public comment period.

Mick Sudbury explained to Dick that in the past there has been some commotion during the board meeting that has been disrupting. The Board has made it so that the public can come to the workshop, hear all of the discussion, write down any comments during the workshop that they may have, and then during the "Public Comment" section in the regular board meeting the public can then address all of their questions and comments at that time, by doing so, the Board is trying to prevent any outburst and disruption if possible.

Dick indicated that he thought that was a good idea, and to be able to be sit and listen. He still felt that the public still should be able to make comment after an agenda item if they wish to before the Board votes on the item.

Dick inquired about the amount of money that the District is paying Ed Hansen. LeIsle indicated that it is part of the post-retirement benefits that is included in the executive benefit plan.

Terry indicated to Dick that he has been exercising common courtesy to call the Trustees if the expenditure is \$1,000 or over he addresses the expenditure with the Trustees. He doesn't want the board to be blind-sided by large purchases.

Dick asked the Board if he could ask a couple of questions when the Board gets to the \$2.1M bonding agenda item.

Board indicated they would give him a reservation to speak at that time.

Consider motion to approve the 2013 annual audit as presented in the workshop given by Pinnock Robins Posey and Richins: Georgia York made a motion to approve the 2013 audit as presented. The motion was seconded by Jeff White, and approved as follows: Mick Sudbury, yea, Georgia York, yea and Jeff White, yea.

Consider motion to approve the SPD as written as the District's existing executive benefit plan: Georgia York made a motion to approve the SPD as written as the District's existing executive benefit plan; the motion was seconded by Jeff White. The motion was approved as follows: Mick Sudbury, yea, Georgia White, yea and Jeff White, yea.

Consider motion to approve Resolution #2014-03, regarding adopting the 2014 Certified Tax Rate: LeIsle asked the Board if this motion could be tabled until after motioning on agenda item Q regarding the \$2.1M bond authorization.

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Consider motion to approve Resolution #2014 - 04, regarding the amendment to the 2014 Budget: LeIsle asked the Board if this motion could be tabled until after motioning on agenda item Q regarding the \$2.1M bond authorization.

Consider motion to approve the request from West Valley City, for construction easement for building an embankment inside the Barton Well field along the east property line: Georgia York made a motion to approve the request from West Valley City for a construction easement to build an embankment inside the District's Barton Well field along the east property line. The motion was seconded by Jeff White, amending the motion, stating that the District will pass the costs to West Valley City for the easement, surveying and any other related fees. The motion as amended was approved as follows: Georgia York, yea, Mick Sudbury, yea and Jeff White, yea.

Consider motion on the change of lateral size at Arbor Park Development: Motion was made by Georgia York to amend the contract with Arbor Park Development and Whitaker Construction to change the size of the laterals from 2" to 1" and accept a reimbursement from Arbor Park for the changes. The motion was seconded by Jeff White, and approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Consider motion for approval to proceed with an amendment to Whitaker's Construction contract to include the secondary line for Head Start: A motion was made by Georgia York, seconded by Jeff White, to approve the staff to proceed with an amendment to Whitaker's Construction contract to include the secondary line for Head Start. The motion was approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Consider motion to approve a Lagoon Day for Magna Water employees and Trustees: Board discussed holding the Lagoon Day event. The Board made the decision that the employee will buy the ticket from the District for \$10 adult ticket and \$6 per child. The Lagoon day will tentatively be set for August 1st, 2014. The employees will be required to purchase the tickets prior to August 1st, 2014 in order for the count of ticket purchased be set by August 1st, 2014. Georgia York made a motion to approve the Lagoon Day for the District's employees, with the employees paying a portion of the cost of the tickets. The motion was seconded by Jeff White and approved as follows: Mick Sudbury, yea, Georgia York, yea and Jeff White, yea.

Consider motion to approve the email migration project to be administered by Leverage IT: Georgia York made a motion to approve the email migration project; the motion was seconded by Jeff White. The motion was approved as follows: Mick Sudbury, yea, Georgia York, yea and Jeff White, yea.

Consider motion to approve sending customers a water conservation pamphlet: Georgia York made a motion to approve sending customers a water conservation pamphlet in the July bill mailing provided that the Staff could make the deadline, seconded by Jeff White. The motion was approved as follows: Mick Sudbury, yea, Georgia York, yea and Jeff White, yea.

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Consider motion to amend the motion made on the District vehicles and retaining truck #69 2009 GMC Canyon 4-wheel drive for standby purposes: Board had a short discussion on using #69 as a standby vehicle for staff on call instead of the bigger trucks for cost savings. Staff will track if the District shows a cost savings by using the truck and report back to the Board. If there is no savings, but additional costs in repairs and maintenance then the truck could be taken to the auction. Board had a discussion on allowing staff to take the on call truck home on the week that they were on call. Some expressed opinion that the staff should be driving their own vehicle to the shop, clocking in when called out, then taking the on call truck at that time. Georgia inquired of how many call outs the District experiences in a month. The most has been reported as seven in a month, usually less than that. Terry informed the Board that he has spoken with all staff members and told them if they could see anything that could save the District money to bring it to his attention. Bob Batt brought the truck to Terry's attention thinking that it would save the District money. If it is determined that it isn't saving money, then the truck can be sent to the auction.

Georgia York made a motion to amend the motion made on the District vehicles and retain truck #69 2009 GMC Canyon 4-wheel drive for standby purposes. The motion was seconded by Jeff White. The motion was approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, nay.

Consider motion to allow staff to proceed with Zion's Bank, Alex Buxton, to issue the remaining \$2.1M of bond authorization: Board held a short discussion on issuing the \$2.1M that has already been authorized by taxpayers in 2005. A motion was made by Georgia York, to allow staff to proceed with Zion's Bank, Alex Buxton, to issue the remaining \$2.1M of bond authorization. The motion was seconded by Jeff White and approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Dick Bezzant inquired if this money would be financing the line that comes down 7200 West?

Staff indicated the project will be installing a line to divert the sewer away from 7200 west further north up 7200 W. This will be taking the brine from the water treatment plant to the wastewater treatment plant, also a pump station at the EDR plant, taking 1 M gallons from the EDR plant down that line. When the sewer backup happened on 7200 said that line was having no capacity problems.

We are dumping 1 M gallons into sewage in that conduit. The brine is going to the same place, just taking the cheaper option of the solution.

Dick asked if the District was wasting 1 M gallons to the sewer. Staff indicated that the EDR has 85% - 95% return on water recycled back through the plant.

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Dick also asked that the manager said that he wants a big reserve of \$21M when the District owes \$18M in bonds. Therefore, we are paying on the bonds anywhere from 0% - 3%. He thought that we said that the new bond would be at 3%. Staff indicated that it was a term of 3 years at .5%. Dick inquired how much the District was receiving on our cash. Terry indicated that the District was getting an average of 1.6 – 2% on cash, which is invested conservatively and safe.

Chair returned to item G & H above.

Consider motion to approve Resolution #2014-03, regarding adopting the 2014 Certified Tax Rate: Based on the adoption of continuing with the \$2.1M bond authorization, and on the Salt Lake County Auditor's Office certified tax rate calculated, the tax rate for 2014 will be 0.002769, with the water purification and sewer disposal is 0.000941, and the interest and sinking funds is 0.001828. Georgia York made a motion to approve the Resolution #2014-03, adopting the 2014 Certified Tax Rate to be 0.002769. The motion was seconded by Jeff White and approved as follows: Mick Sudbury, yea, Georgia York, yea and Jeff White, yea.

Consider motion to approve Resolution #2014 - 04, regarding the amendment to the 2014 Budget: Based on the adoption of continuing with the \$2.1M bond authorization, and on the Salt Lake County Auditor's Office certified tax rate calculated, the resolution will be changed to amend the budget to reflect the water tax revenue in the amount of \$1,221,380.39 and the sewer tax revenue in the amount of \$1,120,223.11. Georgia York made a motion to amend the 2014 budget to reflect the increase the amount of the water and sewer tax revenue as stated above. The motion was seconded by Jeff White and approved as follows: Jeff White, yea, Georgia York, yea and Mick Sudbury, yea.

Consider motion, if needed, on the open house for the WWTP Administration building to be held on June 26, 2014 from 3:00 pm to 6:00 pm.: No motion was needed on the open house.

Consider motion on a request to the District regarding purchasing underground water rights: No motion was needed on the underground water rights.

Consider a motion to allow staff to begin the process of interviewing an analytical consultant/chemist: A motion was made by Georgia York, seconded by Jeff White, to allow staff to begin the process of interviewing an analytical consultant/chemist to provide services to the District on a part time basis. The motion was approved as follows: Jeff White, yea, Mick Sudbury, yea and Georgia York, yea.

Water Distribution/Production:

- 1. Water production report:** Kim indicated to the Board that 160.6 million gallons for the month of May, an average of 5.2 MGD. Year to date production is up 6%.

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2. **Call out report:** Kim reported that there were four call outs for leak checks, two of those had to be shut off at the meter they were customer's side. A frost plate busted off in the meter box, one of the leaks caused a sink hole in the road so staff placed a barricade out, and a fire hydrant was hit.

WWTP Operation/Collection System:

1. **Status of sewer system:** Steve reported that the collection system is camering the lines and using the vac truck. The camera truck had some maintenance issues but was covered under warranty. The children at Lakeridge Elementary really enjoyed seeing the camera truck. Crews are landscaping the area east of the WWTP.
2. **Call out report:** Steve reported that there was one call out due to a power bump at the WWTP.
3. **Update on non-potable water system:** Steve reported that the non-potable water system is at a standstill at the moment to resolve the pump issue. Clint indicated that Don felt that he could proceed with the 7.5 horse power pump. Jeff indicated that a bigger pump at a slower speed would save the District money in power usage. Jeff indicated also that the District needed a 3.3 horse power pump with a bigger mechanical housing, and slow the speed down.

Motion to meet immediately in closed session to discuss land purchase: Georgia made a motion to meet in closed session to discuss land purchase. The motion was seconded by Jeff White and approved as follows: Jeff White, yea, Mick Sudbury, yea, and Georgia York, yea, at 5:50 p.m.

Chairman entertained a motion to close the closed session and reopen the open board meeting session. The motion was made by Georgia York, seconded by Jeff White at 6:02 p.m. The motion was approved as follows: Jeff White, yea, Georgia York, yea and Mick Sudbury, yea.

Discussion and possible motion on matters discussed in closed session: Georgia York made a motion to close the land purchase from Kennecott not to exceed the amount of \$300,000. Jeff White seconded the motion and the motion was approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Other Business:

Discussion on sending individuals to the Intermountain Section AWWA, September 10-12, St. George, UT: Georgia York made a motion to allow two operators, any trustees and any management team individuals who would like to attend. The motion was seconded by Jeff

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White, and approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Discussion on sending individuals to the WEFTEC, September 27 – October1, 2014, New Orleans.: Georgia York made a motion to allow the general manager, Steve Williams and any trustees that wish to attend. The motion was seconded by Jeff White, and approved as follows: Mick Sudbury, yea, Jeff White, yea and Georgia York, yea.

Adjourn: The meeting was adjourned at 6:07 p.m.

Attest

Chairperson