

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

A special meeting of the Board of Trustees of the Magna Water District was held Thursday, March 17, 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
Kim Bailey, Water Operations Supervisor
Steve Williams, Wastewater Operations Supervisor

Also Present:

David Hartvigsen, Smith Hartvigsen
Doug Roberts, Ken Garff Automotive Group
Dan Peay, Magna Chamber of Commerce
Terry Pollock, Magna Resident
Lane Dameron, Ken Garff Automotive Group

Call to Order:

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

Brent presented Doug Roberts with Ken Garff. Doug presented governmental leasing options.

They will take the vehicle back from the District in two years and replace it with another vehicle. Doug basically gave the Board three options of handling purchases of new vehicles:

1. Purchase straight out.
2. Buy and lease through a financial institution 5 - 6 years then own them.
3. Lease for two years, and get a guaranteed repurchase agreement and replace with another vehicle. Or keep the vehicle for five years and own the vehicle.

Ken Garff takes all the risk and District gets the benefit.

The lease interest rate is in the neighborhood of 3%. The interest would be based on bond rating.

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The lease gives you allowance of normal wear and tear. The vehicle needs to be returned in a condition that will pass state inspection, if not, and then the District will be expected to make repairs in order for the vehicle to pass. Warranty is bumper to bumper for 36,000 miles.

Guarantee repurchase is the value of the vehicle at the time the vehicle is turned in after the two year period.

Doug Bezzant expressed his concern with budgeting the lease vs. purchase for 2011. The District will be able to adjust the budget to handle the lease. The District will determine if the budget needs to be reopened.

Brent added that the District has had a great experience in leasing equipment.

The Board discussed the number of trucks to lease, they decided to stick with three and go from there.


David Hartvigen indicated that he wanted to review the agreement document. Board gave approval.

Other Business: None

Adjourn: Motion was made by Mick Sudbury and seconded by Doug Bezzant to adjourn the meeting at 4:01 p.m. Motion was approved as follows: Hank Johnson, yea, Mickey Sudbury, yea and Doug Bezzant, yea.



Attest



Chairperson