

**Board Meeting Minutes
October 13, 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, October 13, 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

Also Present:

David Hartvigsen, Smith Hartvigsen, PLLC
Clint Rogers, Carollo Engineers
Don Olsen, Epic Engineering
Berkley Hanks, APA Benefits
Jack Weiss, Magna Resident
Dan Peay, Magna Resident
Marty Cowin, Union Representative
Rusty Hart, Union Representative
Shawn Wall, Union Steward
Clint Giles, Union Steward

Call to Order:

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

**Board Meeting Minutes
October 13, 2011**

Approval of Consent Items:

Minutes of Board meetings held September 8, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the regular board meeting minutes dated September 8, 2011. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

Minutes of the Special meeting held October 3, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the special board meeting minutes dated October 3, 2011. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

Expenses for September 3, 2011 to October 6, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to approve the expenses in the amount of \$471,996.72. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Public Comments: None

Motion to approve the Letter of Understanding with Local 222 to clarify pension language: LeIsle explained that the District had received a letter indicating that the Pension language in the contract did not permit paying pension on overtime hours. Because it is the intent of the Board to pay on all compensable hours, staff worked with the pension fund and the union, to modify the contract language to permit the paying of pension on all compensable hours. A motion was made by Mick Bezzant, seconded by Doug Bezzant, to approve the Letter of Understanding with the Local 222 to modify the contract language. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Presentation from Berkley Hanks to review the investment in the Executive 401(k) retirement plan: Berkley presented the financial position of the 401 (k) investments. After reviewing the funds, Berkley recommended that the American funds growth fund of Amer R5 be switched to Vanguard Growth Index Inv. due to the performance of the fund. A motion was made by Doug Bezzant, seconded by Mick Sudbury, to make the switch of the funds in the plan. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Motion to approve the lease purchase agreement with Zion's Bank for a 2011 Ford S Duty F550 Crew Chassis. First lease payment for service truck is \$13,000: A motion was made by Mick Sudbury to approve the lease purchase agreement, seconded by Doug Bezzant. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Motion to approve the sewer manhole repair at 2910 S 8400 W in the amount of \$13,185 by Defa Construction: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to

**Board Meeting Minutes
October 13, 2011**

approve the sewer manhole repair for \$13,185. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Discussion and possible motion on employee recognition dinner: Board gave approval to Brent Williams to proceed with the employee recognition dinner and report back to the Board.

Motion to approve Utah Association of Special District 2011-2012 dues in the amount of \$6,415: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the UASD 2011-2012 dues in the amount of \$6,415. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

Water Distribution/Production:

1. **Status on secondary pump upgrade project:** Kim Bailey indicated that secondary pump upgrade is nearing completion. The contractor has done all of the wiring on the VFD's this last week. The pump start up is scheduled for October 14, 2011, but unsure if the contractor is going to make it.
2. **Water production report:** Kim Bailey indicated to the Board that water production was up 4% for the month of September and down 8% year-to-date. Water delivers an average of 7.7 MGD.
3. **Call out report:** Kim informed the Board that there were a total of 12 call outs for leak checks out of those 2 were mainline breaks which crews were called out. One was caused by a construction company on 7200 W. One call out for pump failure at the EDR plant which a pump just needed to be restarted.

WWTP Operation/Collection System:

1. **Update on fine screen facility project:** Steve Williams has been excused from the meeting. Brent Williams indicated to the Board that the final walk through is scheduled for October 24, 2011. Tying up loose ends and going through the punch list. Clint Rogers indicated that the screen only ran for about 4 hours when the contractor started it up, we did get a plug of material off of it, it looks exactly like the material that we were targeting when we were trying to figure out what was binding off the BIOBROx reactor. Clint is very pleased with what the District is seeing.
2. **Call out report:** Kim reported for Steve as Steve has been excused from the meeting. There was one sewer backup, which was a customer side.

**Board Meeting Minutes
October 13, 2011**

Meet in closed session immediately to discuss personnel issues: Motion was made to meet immediately in closed session by Mick Sudbury. The motion was seconded by Doug Bezzant. Motion was approved as follows: Doug Bezzant, yea, Mick Sudbury, yea and Hank Johnson, yea at 3:21 p.m.

Chairman entertained a motion to close the closed session and reopen the public meeting at 4:26 p.m. Motion was made by Doug Bezzant, seconded by Mick Sudbury. Motion was approved as follows: Doug Bezzant, yea, Mickey Sudbury, yea and Hank Johnson, yea.

Motion to approve the closed Board meeting minutes dated July 14, 2011: A motion was made by Doug Bezzant, seconded by Mick Sudbury, to approve the closed meeting minutes July 14, 2011 and the special meeting closed minutes dated October 3, 2011. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea, and Mick Sudbury, yea.

Discussion on Teamsters wage negotiations:

Marty Cowin refreshed everyone on where negotiations left off from the last meeting. Marty reviewed the grandfathering for the insurance trust fund and what it means to the District. The Trust elected to take the grandfathering to mitigate costs to the insurance fund, to help the members.

Marty reiterated the counter offer from the Union from October 3, 2011. The Union presented the board another proposal, \$0.40 increase per hour in wages, keep the health and welfare at 97% - 3% split, to keep the grandfathering, and \$0.20 per hour increase in pension.

Meet in closed session immediately to discuss union negotiations: Motion was made to meet immediately in closed session by Mick Sudbury. The motion was seconded by Doug Bezzant. Motion was approved as follows: Doug Bezzant, yea, Mick Sudbury, yea and Hank Johnson, yea at 4:42 p.m.

Chairman entertained a motion to close the closed session and reopen the public meeting at 5:11 p.m. Motion was made by Doug Bezzant, seconded by Mick Sudbury. Motion was approved as follows: Doug Bezzant, yea, Mickey Sudbury, yea and Hank Johnson, yea.

After discussion in the closed session the Board presented to the Union a counter offer of no increase in wages, no increase in pension and to keep the insurance as status quo.

Marty expressed his concern on why the Board had backed out from their original proposal so regressive. Board Chair indicated that the budget and year to date revenues were reviewed and because of the unknown in the insurance world, they thought it was in the best interest of the District to counter offer as such.

Brent indicated to the union that part of the issue with the District is that we are now locked in to the insurance costs until 2014 is big to the District. The unknown of the insurance increase in

**Board Meeting Minutes
October 13, 2011**

cost. Marty indicated that he felt the grandfather ship was for the benefit of the members to mitigate the costs. He also expressed his respect to the Board members of the insurance fund and indicated that the board does not just arbitrarily increase the costs of the insurance premium without looking closely to the financial status of the fund. Marty also explained the idea behind a PPO network and the discounts that hospitals and doctors give by being a member of the PPO.

LeIsle indicated to the union that the financials of the District are not in the position to do very much. Revenues are down, growth is down and the economy is making it tough for people to get their bills paid.

Marty indicated that where the employees are now have been negotiated in many years.

Mick indicated that the trustees appreciate all of the employees and continually try and improve the benefits when possible. A safety incentive program was instituted and also a longevity rewards program, to express appreciation.

Hank asked how many times the insurance usually has a rate increase. Rusty Hart indicated that usually it's only once a year, if not needed sooner or more because of an emergency.

The Union agreed to dismiss for caucus at 6:07 p.m.

The meeting was reconvened at 6:20 p.m.

The Union presented to the board another counter offer of an increase of \$.35 per hour in wages, \$.15 per hour in pension and keep the health and welfare at 97% - 3% split.

Meet in closed session immediately to discuss union negotiations: Motion was made to meet immediately in closed session by Mick Sudbury. The motion was seconded by Doug Bezzant. Motion was approved as follows: Doug Bezzant, yea, Mick Sudbury, yea and Hank Johnson, yea at 6:22 p.m.

Chairman entertained a motion to close the closed session and reopen the public meeting at 6:40 p.m. Motion was made by Doug Bezzant, seconded by Mick Sudbury. Motion was approved as follows: Doug Bezzant, yea, Mickey Sudbury, yea and Hank Johnson, yea.

The Board presented to the Union another counter offer of an increase of \$.25 per hour in wages, no increase in pension and to keep the health and welfare at 97% - 3% split.

The Union agreed to dismiss for caucus at 6:41 p.m.

The meeting was reconvened at 7:00 p.m.

The Union presented to the board another counter offer of an increase of \$.25 per hour in wages, \$.10 in the pension and health and welfare at 97% - 3% split.

**Board Meeting Minutes
October 13, 2011**

The Board indicated to the Union that they would like to continue the negotiations at a later scheduled date.

Other Business:

UASD Annual Convention November 2 – 4, 2011: A motion was made by Mick Sudbury, seconded by Doug Bezzant, to approve Brent Williams, LeIsle Fitzgerald and any Board members wanting to go. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea, and Mick Sudbury, yea.

Adjourn: Motion was made by Doug Bezzant, seconded by Mick Sudbury, to adjourn the meeting at 7:05 p.m. Motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea, and Mickey Sudbury, yea.



Attest



Chairperson