

**Board Meeting Minutes
March 11, 2010**

**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 11, 2010, at 7:00 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:

Ed Hansen, District Manager
LeIsle Lane, District Controller
Brent Williams, Water Operations Supervisor
Steve Williams, WW Operations Supervisor

Also Present:

David Hartvigsen, Smith Hartvigsen, PLLC
Lisa Henrie, Market Design Strategies
Don Olsen, Epic Engineering

Public Present:

Dick Bezzant, Magna Resident
Chick Paris, Magna Resident
Jack Nielsen, Electrical Mechanical Repair
Mike White, Magna Resident
Matthew Logan, Magna Resident
Dan Peay, Magna Resident
Jack Weis, Magna Resident
Jeremiah Stettler, Salt Lake Tribune
Jim Bezzant, Magna Resident
Henry Linan, Magna Resident
Mike Hamp, Magna Resident
Jeff Mousen, Magna Resident
Richard Nuesmeyer, Magna Resident
Shellie Bezzant, Magna Resident
Paige Linan, Magna Resident
Steve Prokopis, Magna Resident
Dan Cripps, Magna Resident
Stuart Lawrence, Magna Resident

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Marge Bezzant, Magna Resident
Todd & Hillary Sudbury, Magna Resident

Call to Order:

Hank Johnson called the regular board meeting to order at 7:00 p.m. and welcomed the public.

Approval of Consent Items:

Minutes of Board meeting held February 11, 2010: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the minutes. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea, and Mick Sudbury, yea.

Expenses for February 10, 2010 to March 9, 2010: A motion was made by Mick Sudbury, seconded by Doug Bezzant to approve the expenses in the amount of \$306,237.25. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Motion to approve and ratify Task Order 2006-1 and approve Task Order 2010-1 with Market Design Strategies Contract: A motion was made by Doug Bezzant, seconded by Mick Sudbury, to approve the task order 2006-1 and Task Order 2010-1 with Market Design Strategies Contract. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Motion to adopt Resolution #2010-2 appointing David Martin to represent Districts for the West Valley City RDA: A motion by Doug Bezzant, seconded by Mickey Sudbury, to approve Resolution #2010-2. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Motion to approve the Memorandum of Understanding between Unified Fire Authority and the District: A motion was made by Doug Bezzant, seconded by Mick Sudbury, to approve the MOU. The motion was approved as follows: Doug Bezzant, yea, Hank Johnson, yea and Mick Sudbury, yea.

Motion to change time of regular monthly board meetings: Mick Sudbury made a motion to change the time of the regular monthly board meetings to 3:00 p.m., the motion was seconded by Doug Bezzant and approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

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Motion to approve payment of the “Waiver of Recourse” fee in the amount of \$25 on behalf of LeIsle Lane to serve as board member for Utah-Idaho Teamsters Security Fund: A motion was made by Doug Bezzant, seconded by Mick Sudbury, to approve the payment of the Waiver of Recourse fee in the amount of \$25.00. The motion was approved as follows: Hank Johnson, yea, Doug Bezzant, yea and Mick Sudbury, yea.

General statement to the public by Hank Johnson, Chairman: There has been a request to consider making meeting minutes and payables available to the Public before each Board Meeting. As elected Trustees, we have sole responsibility for the oversight and management of this District. We want to make appropriate information available to the Public, but don't want to create an atmosphere of management by non-elected individuals.

Therefore, we have decided to post the meeting minutes on the Districts website once they have been approved (www.magnawater.com). This will make them available to the Public free of charge-without the need for a GRAMA request.

However, the Board considers that the payables are routine to the operation of the District and if the Public desires copies of those, the GRAMA process is the appropriate means for obtaining copies of those documents.

Statement to the press: The Board would like to recognize Mr. Stettler reporter of the Salt Lake Tribune who is in the audience today, and would like to thank him of the positive reporting of our responsible use of taxpayer support to operate the District. Conscientious budgeting and lean management has allowed us to successfully minimize costs of the taxpayer in order to maintain our approved water agency status and comply with the changing laws.

We hope that you come back for a tour of our state-of-the art facilities which includes the Wastewater treatment plant, collections system, secondary water system, that the other District's do not operate, so that you can see first- hand what hard work of our District employees have achieved to ensure that our consumers are guaranteed quality, and safe drinking water now and for years to come.

Public Comment Period:

Chair recognized Dick Bezzant: Dick Bezzant commented on the article that was in the Salt Lake Tribune, “My water bill pays for what?” Dick expressed his concern about the District's water rates, taxes, spending on travel expenses, a few of the District budget items, and the district's vehicles. Dick expressed his concerns regarding the contract with Market Design Strategies and the process in which the invoices are submitted to the District, whereas there was not any detail. Dick asked the Board what services were performed by Market Design Strategies. Dick expressed his concern regarding keys to the office building and the manager's office and services performed on Saturday's and Sunday's?

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Chairman recognized Mike White: Mike White listed a few questions that he would like answered. When Ed Hansen is no longer a part of the District is there documentation that the name on the patent will revert to a manager someone in Magna Water District? Is Magna Water District protected; with the patent being developed on Magna Water time, using Magna Water facilities? Have the employees signed disclosures that protect the patent that is developed while they are an employee of Magna Water, if the patent relates to water facilities? Why is Magna Water employees union and is it necessary? Are the Board members paid enough money for what they are doing? Concerning the recent newspaper article, are public funds being spent on things that they should be? Should there be unnecessary spending during this down turn in the economy? Mike expressed his concern about expenditures that are on the credit card statements. What can Magna Water District do to move forward in making sure Magna citizens know that their money is being spent properly?

Chair recognized Chick Paris: Chick asked the Chairman about his quote out of the Salt Lake Tribune article saying that Magna Water Board has made more than one approval for Magna Manager to drive the company vehicle to St. George. Chick has done research on all minutes of the regular board meetings and found nothing on the approval.

Board Chair indicated that that type of approval does not have to be done in a public meeting. It's part of the Trustees applying the Rules and regulations of the District.

David Hartvigsen indicated that the District' Administrative Rules and Regulations policy have been in effect for many years and has a vehicle use policy that states the general manager is the person who administers that policy. When the general manger makes a decision on who is entitled to take company vehicles home or on call is part of managing and applying the AR&R's. The Board is involved as a legislative body and enacts the AR&R's. The general manager is responsible in administering the AR&R's once the policy has been enacted.

The general manager is free to inform the Trustees at any time concerning any of his administrative functions just so that they are kept abreast of what's going on. If the policies are being abused, it then becomes a legislative action and the board can act on it.

Chick inquired of who wrote the Rules and Regulations. David answered the Boards in the past. The majority of the AR&R were in place 20-30 years ago. As laws change and more things are imposed on in government and business it gets revised and updated as needs to be.

Chick commented that he felt that driving the company vehicle to St. George was improper and that the Trustees should start looking at the entity as a government entity and not a private business that you can do anything you want.

Ed Hansen indicated for the record that he takes exception to some of Chick Paris's comments.

Chair recognized Jack Weis: Jack had a comment regarding the motion to change the meeting

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to 3:00 pm. Comment on the ability to have the Board meet before the public portion of the meeting in closed session if necessary to accommodate the public.

Discussion on request from Norm Fitzgerald to waive sewer fees: Ed Hansen indicated that the District has received a request from Mr. Fitzgerald on the piece of property located on 9200 W 3278 S. Mr. Fitzgerald seeks a waiver of sewer fees. The home has been demolition inside and they would like have the water service temporary used as livestock water. We have other livestock water at other connections. At this time staff recommends that the Board approve the request with a time limitation on it. A motion was made by Doug Bezzant to approve the waiver of monthly sewer fees for a period of 24 months and to allow the water service located at 3278 S 9200 W, Magna Acct #80-0010-00 to be used as a livestock only water account Effective March 11, 2010.

Discussion on Salt Lake Valley Law Enforcement Service Area: A discussion was held regarding the invoices the District has received for the Salt Lake Valley Law Enforcement Service Area. The District may receive three more invoices for pieces of property that the District owns. The three invoices that we have received total approximately \$774. The board gave approval to pay.

Project reports:

- a. **Status of the Barton well EDR Plant:** Brent informed the Board that the plant is running good and still dealing with a few warranty issues with GE.
- b. **Status of the wastewater bio-reactor project:** Staff has finished some modification and the bio reactors are back on line and operating more efficiently.
- c. **2009 Waterline replacement project:** The Contractor mobilized and started the pipeline project Monday. Ran into an issue with their fill not meeting compaction, the contractor is working on getting a different pit to meet compaction.
- d. **Fine Screen Facility and Non-potable water system projects:** Don Olsen reported that this project is moving forward. Staff has met with Carollo engineers doing the design and addressing issues. Have concept plans for the building, the project is moving on schedule.
- e. **Status report on the \$291,000 EPA grant:** Don and Ed are working on the grant with Region 8. Don indicated that the paperwork is just about ready to submit due to some procedure changes. This application could not go in until the project was finalized and cost estimates figured. The application will go to the EPA by next week.
- f. **Update on Reuse Recharge Title XVI project:** Ed indicated that he has

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received information from energy and power subcommittee in Washington. Hopefully the Magna Reuse Recharge Title XVI project will be presented in front of the Senate committee sometime in April or May.

Ed has also been in contact with Washington for money for solar power for the Wastewater Treatment Plant. Ed is putting together a packet to send to Washington.

Ed had Ms. Henrie work with American Waterworks Association who chose to recognize Magna Water in the March publication of Op Flow publication. The District is being recognized for their innovative technology that was developed here.

Ms. Henrie indicated that there have been over 1,000 hits on the video which is on the District's website and is being picked up and is being put on their water tech online. The reason why it was chosen was that they heard all the chatter about the open house and was excited to see a District of this size be able to achieve this type of state of the art facility. The District was also recently contacted again by George Fry, Bloomberg associated press photographer who wants to bring people out to see the facility. Most hits we are getting are from Asia and Australia, places that have a lot of drought conditions.

Water Distribution/Production: Brent indicated to the Board that water production was down 24% for the month of February and year to date was down 22%. For the month we have been pumping about 2.3MGD. Crews are out getting the secondary water system ready. The District is planning to turn the secondary system on on April 15, 2010.

WWTP Operation/Collection System: Steve Williams informed the Board that everything was going very well at the Wastewater Treatment Plant. Collections crew has been running the sewer truck and during their maintenance found 15 manholes with damage from HTOS gas, which causes crumbling and deteriorate inside. The manholes will be power washed and coated with material that will take care of the issue. Steve just completed the yearly sludge report and sent to the EPA.

Meet in closed session immediately to discuss personnel issues and litigation: Motion was made to meet immediately in closed session by Doug Bezzant.

Chairman recognized Jeremiah Stettler from the Salt Lake Tribune: Mr. Stettler asked what the reason was that they were going into closed session.

Chair indicated to discuss personnel issues and litigation.

Jeremiah inquired if there were any items discussed which are outside of the legal purposes to meet in closed that are stated in state statute?

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Chair indicated that there was not.

Jeremiah objected to the closed session. He covers Salt Lake County politics, Salt Lake County Counsel. Mr. Stettler indicated that the Counsel typically met in a year 3 – 4 times in closed sessions, at the very most. He stated that he understood that this Board enters into a closed session every month. Although the open meetings does allow for closed sessions. He would urge the Board to conduct many of these issues in open session so that there isn't a cloud of suspicions from the public and restrict those sessions to issues that would be necessary in the closed session.

David indicated that the District really works hard to comply with that law, the staff reviews the items in advanced to ensure that they do comply for closed session. In either case they are items that can be handled in closed session and are screened so that we can make them open if we don't see a detriment to the District by discussion them in open session.

Any decisions are made in public session.

The motion was seconded by Mickey Sudbury. Motion was approved as follows: Doug Bezzant, yea, Mickey Sudbury, yea and Hank Johnson, yea at 7:45 p.m.

Doug Bezzant entertained a motion to close the closed session and reopen the public meeting at 8:07 p.m. Motion was made by Doug Bezzant, seconded by Mickey Sudbury. Motion was approved as follows: Doug Bezzant, yea, Mickey Sudbury, yea and Hank Johnson, yea.

Consider action on any noticed agenda item discussed in closed meeting.

- a. **Approval of Closed Meeting Minutes:** Doug Bezzant made a motion to approve the closed meeting minutes for February 11, 2010. The motion was seconded by Mickey Sudbury and approved as follows: Mickey Sudbury, yea, Doug Bezzant, yea and Hank Johnson, yea.
- b. **Any other items:** None

Other Business: None

Adjourn: Motion was made by Doug Bezzant and seconded by Mickey Sudbury to adjourn the meeting at 8:09 p.m. Motion was approved as follows: Hank Johnson, yea, Mickey Sudbury, yea and Doug Bezzant, yea.

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Attest

Chairperson