

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, October 16, 2025, at 10:00 am at the Magna Water District General Office, Kim Bailey Board Room, located at 8885 West 3500 South, Magna, UT.

Call to Order: Mick Sudbury called the meeting to order at 10:00 am.

Trustees Present:

Mick Sudbury, Chairman
Jeff White
Dan Stewart

Management Team Present/Excused:

Clint Dilley, General Manager, present
LeIsle Fitzgerald, District Controller, present
Trevor Andra, District Engineer, present
Dallas Henline, Wastewater Operations Manager, present
Andrew Sumsion, HR Manager, present
Steve Clark, Water Operations Manager, excused
Chris Thompson Water Operations Leadman, present

Also Present:

Dan Peay, Magna Resident

Pledge of Allegiance: Chairman lead those in attendance in the Pledge of Allegiance.

Welcome the Public and Guests: Chairman welcomed those in attendance.

Public Comment: None.

Chairman asked if any of the staff or board members had a conflict of interest with anything on this agenda. There were no conflict of interest.

Discussion on District's 2026 Tentative Budget: Clint Dilley prefaced the discussion with the following comments:

“The District has had quite a challenge with the number of projects that we feel need to be completed in the district with the available resources. This situation was identified in the 2021 master plan. One of the suggestions at that time was for the District to plan on bonding to be able to complete some of the bigger projects. We've been able to get by without bonding so far, but it continues to get more and more challenging the further off we go with the amount of significant projects that we have to do. This budget doesn't reflect any bonding in next year. The earliest we're saying that the district would consider bonding would be in the following year if the board is open to it at that time. We've been able to work this budget without any bond in it. The downside to that is if, as you know, in years past, we've had quite a bit of impact fees that have been coming in from all of the development, and we were able to build up

our financial reserves pretty significantly over that time period and still accomplish several of the projects. We have collected fewer impact fees the past two years, so, impact fee revenue is less available than it was in years past. We have dipped into reserves quite a bit the past couple years. And so one of the assumptions in this budget before we get going is that we would continue to take some money from reserves, but we would not go below the restricted minimum. That's one of the things we have to talk about.”

Staff presented the tentative budget to the Board. LeIsle reviewed the Capital Sources and Outlays Summary.

| CAPITAL FUND SOURCES | | | | |
|--|--|--|--|-----------------|
| ESTIMATED NET INCOME 2026 | | | | \$ 2,984,131 |
| GRANT REVENUE/LOAN PROCEEDS | | | | |
| CONSERVATION GARDEN GRANT/JVWCD | | | | \$ 40,000 |
| DIVISION OF DRINKING WATER - LEAD & COPPER | | | | \$ 4,000,000 |
| EPA COMMUNITY BLOCK GRANT - HAYNES #8 | | | | \$ 1,300,000 |
| IMPACT FEES FOR RELATED PROJECTS | | | | \$ 6,480,110 |
| TAKE FROM RESERVES | | | | \$ 11,107,776 |
| TOTAL CAPITAL FUND SOURCES | | | | \$ 25,912,017 |
| CAPITAL FUND USES | | | | |
| CARRYOVER PROJECTS AT 08/31/2025 | | | | \$ 12,013,310 |
| PROPOSED NEW PROJECTS FOR 2026 | | | | \$ 13,898,708 |
| TOTAL CAPITAL FUND USES | | | | |
| TOTAL CAPITAL FUND USES | | | | \$ (25,912,018) |

Chairman expressed his concern with spending the District's reserves. The District's reserves helps with our bond rating. Spending the reserves does show good faith to our customers that we aren't just raising rates to keep cash on hand. The District is spending down its reserves to a minimum level.

Total income budgeted is a decrease of 25.15% from 2025's budget. Total expenses budgeted is a decrease of 2.20% from 2025's budget, and total bond and loans and banking fees budgeted is increasing by 4.26% from 2025's budget. Staff is doing what they can to reduce the expenses of the budget. A small rate increase is projected for 2026, that a hearing was held and adopted in 2021. Currently, a master plan, impact fee facility plan for the next 10 years, and impact fee analysis is being conducted for the District. The proposed projects were reviewed.

Resolution 2025-08 adopting the 2026 Tentative Budget and to hold the 2026 Budget Hearing on November 13, 2025, at 10:00 am.: A motion was made by Jeff White, seconded Dan Stewart, to approve Resolution 2025-08 adopting the 2026 Tentative Budget and to hold the 2026 Budget Hearing on November 13, 2025, at 10:00 am, and to have the Tentative Budget for public inspection for seven days prior to the Budget Hearing. The motion was approved as follows: Mick Sudbury, yea, Dan Stewart, yea and Jeff White, yea.

For full discussion please go to board meeting recording beginning at position 2:03 to 1:30:54.

Motion to take a brief recess and immediately following, meet in a closed meeting to discuss (1) the character, professional competence, or physical or mental health of an individual, and (2) collective

bargaining purposes pursuant to Utah Code Ann. §§ 52-4-204 through 205: Jeff White made a motion to take a brief recess and immediately following, meet in a closed meeting to discuss (1) the character, professional competence, or physical or mental health of an individual, and (2) collective bargaining purposes pursuant to Utah Code Ann. §§52-4-204 through 205. The motion was seconded by Dan Stewart, and approved as follows: Dan Stewart, yea, Mick Sudbury, yea, and Jeff White, yea at 11:30 am.

Motion to close the closed session and to reopen the open session of the Board Meeting: Jeff White made a motion to close the closed session and reconvene the open session at 12:29 pm. The motion was seconded by Dan Stewart and approved as follows: Dan Stewart, yea, Mick Sudbury, yea, and Jeff White, yea.

Consider action on any noticed agenda item discussed in closed meeting: None.

Other Business: None

Adjourn: Having no further business to discuss, a motion was made by Jeff White, seconded by Dan Stewart, to adjourn the meeting at 12:29 pm. The motion was approved as follows: Dan Stewart, yea, Mick Sudbury, yea, and Jeff White, yea.

Attest

Chairperson