

SPANISH VALLEY WATER & SEWER IMPROVEMENT DISTRICT
SPECIAL MEETING -----

May 24, 1979

Meeting was called to order by Chairman Darwin Gilger with the following members in attendance: Dan Holyoak and George White. Also present: David Bretzke, Executive Director; Beulah Croasmun, Assistant Secretary; Clyde Hemmert from Richfield and Lee Hawks from Salt Lake City representing Farmers Home Administration; Carl Carpenter from Nielsen, Maxwell & Wangsgard; Attorney Harry Snow; and Surveyor John Keogh.

Attendance

Chairman Gilger stated that the meeting was called for a Farmers Home Administration Pre-Application Conference and turned the meeting over to Mr. Clyde Hemmert and Mr. Lee Hawks.

Carl Carpenter said that the cost estimate should be about the same now as the figure on the last FmHA application, dated March 1, 1979; with construction costs rising at a rate of about 12 1/2% per year.

Cost Estimate

Lee Hawks suggested that the district make some reasonable allowances for fire hydrants. He explained that the FmHA grants are allowed based on the needs of the community. He stated that there are no FmHA funds available for grants at this time, and suggested that the district apply for a loan of \$300,000 instead of the \$200,000. He explained that on a \$300,000 loan from FmHA and a \$300,000 loan from the Division of Water Resources, the annual payment to FmHA would be about \$17,500 and to the Division of Water Resources would be about \$16,700; amounting to about \$5.70 per connection per month for debt service and about \$5.65 to the Conservancy District for water per connection per month. Total of \$11.35 per connection per month; based on 550 customers. Lee Hawks stated that FmHA likes to see the minimum set at 5,000 gallons per month.

Fire Hydrants

Hawks said that the formula for borrowing power of the district is 1% of the median income for the district, based on the 1970 census for Grand County.

Borrowing Power

Clyde Hemmert stated that in the event the water system was put in before the Conservancy District is able to supply water, FmHA could charge SVW&SID interest only until the district is able to obtain water, up to a maximum of three years.

Carl Carpenter said that the Conservancy District should be able to have water available by the time the SVW&SID could get the system put in.

Lee Hawks said that the possibility of the District obtaining a \$350,000 loan from FmHA would be about 99%. Board agreed to apply to FmHA for a \$350,000 loan as soon as possible.

Clyde Hemmert said that FmHA would send a letter to the District and set up another meeting to discuss the conditions issued by FmHA. This letter would not be sent until the funds are available. Lee Hawks advised the Board to contact a bonding agency as soon as the letter of conditions is received from FmHA.

Carl Carpenter stated that there shouldn't be very many easements for the water system because they are trying to keep the lines going along the roads as much as possible.

Easements

Dan Holyoak moved that the District approve the ammended engineering budget. George White Seconded. MOTION CARRIED.

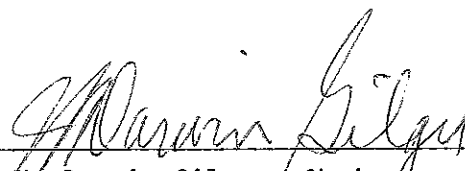
Engineering Agreement

Darwin Gilger stated that EPA stated that they would have no objections to the sewer project for Spanish Valley proceeding if FmHA wishes to conduct a technical evaluation of the Moab wastewater treatment facilities to determine if their requirements can be met and the Utah Bureau of Water Pollution Control concurs with the funding. However, the City of Moab would be responsible for any violation of their discharge permit. Lee Hawks said that FmHA would not hesitate to go to the state or to the EPA if they had some data stating that the plant can handle the inflow.

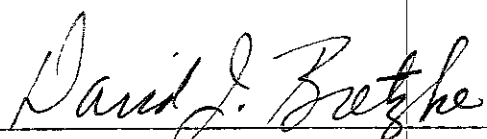
Sewer Project

Dan Holyoak moved that Dave Bretzke be authorized to ask H.E. O'Bryan to go with Bretzke to obtain Phase II Sewer easements for a fee of up to \$7.00 per hour. George White Seconded. MOTION CARRIED.

Phase II Easements


W. Darwin Gilger, Chairman

ATTEST:


David J. Bretzke, Acting Secretary