

GRAND WATER & SEWER SERVICE AGENCY
Full Board Meeting – Preliminary Budget Hearing
November 5, 2009

The meeting was called to order by President Dan Pyatt at 7:14 p.m. at the Agency office, 3025 East Spanish Trail Road, Moab, Utah. Other Agency Board Members present were: Rex Tanner, Lance Christie, Jerry McNeely, Tom Stengel, John Hartley, Brian Backus, Chris Baird, Mike Holyoak, and Kyle Bailey. Those present established a quorum. Absent were: Preston Paxman and Gary Wilson

Others present were: Mark Sovine, Marsha Modine, Dana Van Horn, Phillip Stubblefield, Manuel Torres, Joe Vancil, Delma Vancil, William Love, Greg Mofat, Russell Pogue, Ned Dalton, Robert Jones, Doug Carroll, Karl Tangren, and Dewey Jarret.

Minutes – Board Meeting 10/22/09 Motion to approve the minutes for the meeting of 10/22/09 as presented by Mike Holyoak. Second by Tom Stengel. Dan Pyatt-Aye, Kyle Bailey-Aye, Chris Baird-Aye, Jerry McNeely-Aye, Brian Backus-Aye, Rex Tanner-Aye, Tom Stengel-Aye, Mike Holyoak-Aye, Lance Christie-Aye, John Hartley-Aye. MOTION CARRIED.

Citizens to be heard none

Check approval Motion to approve checks in the amount of \$49,269.57 by Lance Christie. Second by Tom Stengel. Dan Pyatt-Aye, Kyle Bailey-Aye, Chris Baird-Aye, Jerry McNeely-Aye, Brian Backus-Aye, Rex Tanner-Aye, Tom Stengel-Aye, Mike Holyoak-Aye, Lance Christie-Aye, John Hartley-Aye, MOTION CARRIED.

Discuss, consider, approve agreement with Grand County for waterline relocation on Pack Creek bridge project Mark presented the proposed agreement to the board. The county is replacing the bridge on Millcreek Drive where it crosses Pack Creek. There is an existing Agency waterline currently under the bridge. The County will replace approximately 230 ft of 10” ductile water line running along the East side of the Mill Creek Dr. between sta. 35+00 and 38+00. In exchange, the Agency agrees to clean the water quality manhole located 45 ft south of the southwest abutment of the Pack Creek Bridge for a period of ten years. Motion to accept the proposed agreement as presented by Lance Christie. Second by Tom Stengel. Dan Pyatt-Aye, Kyle Bailey-Aye, Chris Baird-Aye, Jerry McNeely-Aye, Brian Backus-Aye, Rex Tanner-Aye, Tom Stengel-Aye, Mike Holyoak-Aye, Lance Christie-Aye, John Hartley-Aye. MOTION CARRIED.

Preliminary 2010 budget hearing Chairman Pyatt opened the public hearing at 7:20 p.m. The budget was discussed amongst board and staff. Public comment during the hearing is as follows: Manuel Torres: Rex said that...Is the increase in the fees going to create a new \$130,000? Rex: It is actually about \$25,000 according to the budget. Manuel: Okay. Another question is on your carryovers. Each one of these districts...what do you carryover from one year to another? As far as, you said you paid some bills with the money that you had this year but you weren't going to receive the money until the beginning of the year. That means that you got to carry over a certain amount of money. What is that amount? Marsha: What happens with that is: we pay our bond payments, which are our GO bond payments in those two Grand County districts, which is a tax bond that you guys all voted for. The taxes are all collected at the end of the year. We receive them at the beginning of the next year. In terms of auditing we put them back in the year that they were actually taxed for. So its kind of a tricky thing that we have had to put aside...these bonds actually do require sinking funds so that we can pay them when they're due if we don't have the taxes yet. Do you see what I'm saying? Lance: So we have a revolving sinking fund in effect where the taxes collected in the fall of 2009 will be available to make the bond payment in 2010 but for budget purposes they are shown in 2009. Manuel: About how much is it? Marsha: Well it depends on which district you're talking about. Manuel: I'm asking in each district what is your...Marsha: Well we can look at them if you want. Lance: The bond sinking fund for the Grand County Special Service Water District as of September 30, 2009 is \$161,000. Marsha: What? Lance: That's what is

says here on the balance sheet. Marsha: Okay. That is the bond sinking fund that when we got the bond we had to agree to put those away but basically we take... The three districts are general funds and they have to balance to zero. So usually...like on the Spanish Valley...its going to come to zero. I think we're taking a little bit out of fund balance in the Conservancy District about \$5,000, I think. And I mean it just depends on the year. It depends on how many people pay their taxes. If there's a lot of delinquent taxes then we have to borrow from our savings. And then some years a lot of people pay their delinquent, because you know it's the five year thing, and so we get extra and so that goes into the fund so that when we're low again. Manuel: My question is; what do you have in savings? So you got "x" amount of dollars so that if a pipe does break you have money to go in and pull it, right? Mark: Actually, no in this case what she's referring to is a restricted fund. Manuel: I understand the bond one. But what I'm talking about is the districts. You have dollars in there – a slush fund. Don't you have slush funds in those? Mark: That's what he was talking about – the sinking funds. Right now there's not...we don't have a sinking fund, no. That's what we need to...as time goes on what we need to do is build up... Lance: what we have is projected revenues and projected expenses. The projected expenses include all M&O items so essentially if we have more expenses than we have revenues to cover then we're in trouble. That's why we are very careful about our budgeting so we don't end up in that situation. Dana: These are all available to the public. If you would like copies after the meeting you are welcome to them and I will be happy to get them for anybody. Chris: So where is the sinking fund at? I think that's what he's asking. Mark: And right now we are saying that there is not. No, that's what we need to create. Rex: I think...correct me if I'm wrong Manuel, I don't get the sense that we've answered your question very well. There's a fund balance for each one of these accounts. Is that more what your question is geared towards? So I think that is what he's referring to is the fund balance...Marsha: So you're wanting to know if we have some funds set aside in case...Manuel: Yes. Marsha: God forbid the dam should leak or whatever. Manuel: Yes. Marsha: Yes, we do. Not a whole lot but we do have some. As much as we've been able to put away. Manuel: So do you show those on your financial statements there? Marsha: Yes. In my financial statements in the other room I have a bunch of them. You're welcome to come in and look at it anytime. Manuel: I was just curious. Marsha: We don't have a whole lot, but we do have some. Manuel: I thought you would have this on each one of your things. Lance: The auditor does an accounting of these at the end of the year. Rex: Yeah, we go through that when we go through the audit with the auditor and then we go through all these fund balances. Because of the complexity of the setup here with the three individual districts all operating under the umbrella of the Agency but its something that we do talk about and we know its there but like she said its not a whole bunch of money unfortunately. Dan: Bill. Bill Love: Mark mentioned earlier that there is going to be a third operative or operator? What is a third operative? Mark: Third operator. Another employee. Bill: Another employee, okay. Lance: That is certified to operate water or sewer systems. Mark: Eventually yes, that may be what we want but at this point, a laborer. We still need to address that. Dan: Ned. Ned Dalton: You were talking about a hundred thousand dollar difference between when you have a contractor and doing it yourself. And the problem that your books show you had to buy equipment, you got to have people on the payroll. If you take all that into consideration it is probably coming out pretty close. Mike Holyoak: that's what I was talking about, that is doesn't show the savings of that much. The rental of the equipment, the extra employees, yeah, you're right. It is not as good of a savings that it shows on paper. Ned: If you go and check on companies that farm out their major jobs and stuff, I think you'll find out that its cheaper to hire a contractor than it is keeping employees on the payroll and equipment. Mark: And that we are still doing today. The larger jobs we are still have contract maintenance that we are doing just that. We have a maintenance contract in place for just that very same thing. An example is the lake repair we are doing now. We are...we've contracted that out because for us to staff-up and tool-up to do a job like that once a year just would not make economic sense. Lance: Ned, last year we instituted a program where we kept very close track of how much money we were spending and how many hours we were spending on various items of equipment and the workers to operate them. If we saw that we could save money by acquiring the equipment and hiring staff because there was a workload sufficient to amortize the investment on our part versus the contractor's rates then we would invest it in staff or acquiring equipment. So as Mark says, on large jobs, or jobs that require large and complex equipment we do hire that out because it does not make any sense for us to try to provide in-house capacity for that. Manuel: Let me ask you one more question. I know this sounds crazy but in your new budget, you're asking for another employee. Right? Mark: Correct. Manuel: Okay. So I guess my question is how do you justify that new employee with all his insurance and everything for an increase of \$25,000? John Hartley: I'm one of the people who've been abdicating hiring rather than doing contracts. And I don't disagree with the fact that you do need to do some contracting but there's certain service objectives that every department needs to meet and need a

minimum number of people to do that and we're not quite there yet. There's valve operation programs, fire hydrant maintenance programs and several other things related to water and sewer operations that need to be done in a more timely basis than we are doing them. So if we can add a person and save money on contracting you get a little more bang for the buck. That's why we're doing that. Rex: The \$25,000 is just the irrigation rate increase. Another employee would be spread out through all of the districts and he would work for the Agency. So it wouldn't be just the irrigation work, but it would also tie into the Improvement District work...so on and so forth. Lance: The irrigation rate increase actually relates to the fact that we discovered that we were spending that money already on irrigation maintenance and operation but were not getting the revenues to cover that expense. That expense has been covered with revenues from other operations that the Agency has. So we are trying to rectify a disparity not come up with new money for a new hire. Dan: Karl? Karl Tangren: Marsha, how many more years is there on this bond? My understanding was it was a thirty year bond when we set it up. Marsha: Which bond are we talking about? Karl: The big one we bonded for to do the lake originally. Marsha: Okay that...one of them ends in 2012, one ends in 2014, one ends in 2015, and one ends in 2016. So we're really close. Or maybe one of them ends in 2018. Mark: 2018 was the final bond. Karl: So we're getting beyond the half way mark at least? Marsha: Oh, we're way beyond that out of the thirty years – we got ten and we should be done. Karl: We've operated the system then for 25 years on the revenue that we set it up on in the first place. How come all the sudden now, we need more money? I sat on this board for thirteen years. We never did raise the funds. We always had seemed to get the bills paid and stuff. I don't think we have any more line now then and we certainly don't have any more water to sell. What is...I think why most of these people are in here tonight for is to have the question answered why you need to raise the irrigation fees? Is it to support the water and sewer lines, the culinary, or do you believe that we need more management on the irrigation end of it? Dan: Karl, that's still coming up on the public hearing on the irrigation. We haven't really gotten to that yet. So we haven't answered the question because we haven't gotten there on our agenda yet. If you'll just be a little patient we've got one more item after this... Karl: I'm sorry Dan. I didn't get a deal. Dan: Okay. We're working towards your question for sure. Karl: Okay, can I ask one more question? You lost me here awhile ago. When you were uh, oh, did you did we pump the wells this year for irrigation use? Mike: Yes. Dan: Quite a bit actually, a couple of months. Karl: Did you get a deal? Did you come up with money somewhere else to pay for them pumping charges? Because the other four years that I was here and we run short and had to run the pumps – then you'd turn that right to the irrigation people and we paid it. Instead of letting our crops dry up and die; they give us a choice. You want to pump the wells and pay the pumping bills or do you want us to shut the wells off and let your crops die? I think its four years in my term on this board that that happened. And we paid double water fees just to keep things going. I don't see in this time and when the Country's broke, everybody's broke, everybody's wanting to raise taxes – they raised our taxes in San Juan County a third more than they were last year. Now you guys are advocating raising our water deals up again and I don't know how high this can go. I think yesterday's election showed you a little bit about what the voters in Grand County thought about it. They're getting tired of taxes. And all you do is tax the landowners because you can't tax the guy on a bike, he can get up and leave. But the landowner is stuck and I think over the years us landowners in this county have beautified this county. We've done a favor to this county. That's the way I see it. I don't know how the rest of you see it. But I put in 25 years out there at my own expense, buying water from this district, planting trees, planting fields, and so have all the other people that moved out there. We beautified this valley which has got to be worth something. Because I think it's raised our standard of living, it's raised the prices of real estate and I think this board ought to be trying to reward the water users instead of penalizing us with a higher rate. That's my personal opinion and I wish you guys would think it over. I mean, in this economy we're all broke, the Country's broke, everybody's broke and we can't just keep penalizing the people who have paved the way all of these years. You gotta quit somewhere. Maybe we gotta do without some of this stuff. Maybe we don't need new backhoes. I mean the years I sat on this board we contracted out to the lowest bidder every year. Didn't we? You guys that were on there with me, you know. And we seemed to get along with that. And I still am a firm believer that we're not doing any more work. I'm still a firm believer that the contractor is the way to go. You're not paying him when he aint working. And you know, you put on another employee and you're going to pay him \$30,000 a year, its gonna cost you \$45,000 by the time you pay all of the employee benefits. And so I'm asking the board...I'm here tonight to ask the board to really consider this raise on this irrigation. Dan: Okay, well you're still getting ahead of yourself, Karl. We haven't gotten there yet. Okay. That's all. I'll wait 'til we get to it then. Thank you Dan. Dan: Is there any other public hearing comment on the budget right now? The 2010 budget. John Hartley: Just a question on the proposed revenue from irrigation going from \$105,000 to \$130,000 – roughly a

\$25,000 increase. How does that break down over the number of users? I know everybody has different sized property, but how does it break down by the number of users? I think part of the problem here is that you put this part on the agenda first as opposed to doing the discussion of the irrigation rates first. John: This is. This is part of the budget. Dan: Yeah, maybe Rex is right. We maybe should've flip flopped these two but we didn't so we've got stuff to deal with. Rex: I believe it is based on a 30% increase John. If you go to tab 20...Dan: Yes tab 20, you guys are all getting ahead of yourselves. Let's approve the budget first. I know everyone's anxious to get on with this irrigation rate increase proposal but we're doing our budget right now. Bill: Is the public hearing still open? Dan: Yes. It is Bill. I just have a question. On the budget, \$130,000 how much of that is from the golf course approximately? On the projected budget, how much is from the golf course? Marsha: I think sixteen. Bill: Sixteen thousand? Marsha: Is that right Rob? Rob Jones: Around \$17,000. Bill: Okay. How much of that is from large land owners in the current budget? See, during the public hearing I can't ask questions when we get to the irrigation but I can ask questions on this budget. Dan: The irrigation is a public hearing. Bill: Okay. How much of the current budget is from large land owners? Marsha: Are you looking at the rate table that you've got? Mark: I can answer your question. Rex: Bill, your question is going to have more relevance if you just hold on. Bill: Okay. I wait. Dan: Everyone's jumping ahead. Let's get through our budget first, please. And then we'll move on. Bill: I got my one answer. Dan: You can ask that question again. It would be pertinent in the irrigation rate increase public hearing. Alright, is there any other public comment on the 2010 budget? Alright, then I will close the public hearing. Chairman Pyatt closed the public hearing at 7:55 p.m.

Approval of the preliminary 2010 budget Motion to approve the preliminary 2010 budget by Tom Stengel. Second by John Hartley. Dan Pyatt-Aye, Kyle Bailey-Aye, Chris Baird-Aye, Jerry McNeely-Aye, Brian Backus-Aye, Tom Stengel-Aye, Mike Holyoak-Aye, Lance Christie-Aye, John Hartley-Aye, Rex Tanner-Nay. MOTION CARRIED.

Discussion of the 2009 irrigation system Mark and the board discussed the 2009 irrigation season. The lake was at 216 AF at the close of the season.

Public Hearing to discuss irrigation rate increase Chairman Pyatt opened the public hearing at 8:15 p.m. Dan: Go ahead Manuel. Manuel: The bonds that are coming due in 2012 – is that bond on the Ken's lake? Marsha: Ken's Lake, George White, tank, irrigation system, Sheely tunnel. Manuel: Okay. What are those bonds a year? How much do we pay? On that bond that's due in 2012, how much...Marsha: We pay...Manuel: How much is that going to save the District after it is paid? Marsha: Okay. We're talking operations. That's not... Manuel: It's still a chunk of money. Marsha: It's still a chunk of money. But it's being paid by taxpayers. \$57,250 is one of them. Okay? Manuel: I guess my feeling is... Marsha: And the other ones... Manuel: I guess my feelings is that we can go ahead and pay this fee for two or three years up to 2012, but when those bonds are completed maybe some of that money ought to fall back into... Marsha: But Manuel, you're not paying for those. Kyle Bailey: That lowers the tax rate Manuel. Manuel: Automatically? Kyle: Automatically, because we can't... Okay. I'll give my spiel now. As a member of the Grand County Special Service Water District, which these bonds are allocated to...and also the Conservancy District. Moab City residents are paying these property taxes on those bonds to build Ken's Lake and to build the water tank, the first water tank, and some of the water lines. So, all of those things are being paid for by the whole county, including Moab City that derives no benefit except for what Mike has said and I concur completely with him. There is...that there is a benefit. And the citizens chose to back those bonds. But once those bonds go away; that property tax goes away and all those funds...and I don't think that as a resident of the City that I would be willing to pay any property tax on that. Manuel: I understand. Kyle: But I don't have a dog in this fight because all of the money that is from the Special Service District, the Water Special Service District goes to pay the bonds. So all of these monies...who's covering the shortfall is the Agency...the Spanish Valley Improvement District. So they're covering it. So all the people in Spanish Valley are covering this shortfall. So I think that's what they're trying to make up. Manuel: I understand. Kyle: And I don't really have a dog in the fight in this. Dan: Bill. Bill: Can I come up? Dan: Sure. Bill: Okay. Fifteen years ago I said that the Improvement District was subsidizing irrigation. Marsha: No, wait a minute... Bill: Never mind. That was just a comment. Marsha: It's not true. Bill: What I'm interested in is that we need money and we have to find money. The irrigation has underutilized collecting money for a long time. First thing you need is (unintelligible). You have a category for industrial and recreation and a category for lawns and maintaining houses. You are starting that now? You have it going on

with the secondary water system? Put a category in there. That's where the money is. It is far more valuable to a homeowner who only needs an acre foot or two. He'll pay a lot more money than an agriculture person will. Because he can. So put in another category. Open up another one called lawns and whatever you want to call it. The second thing is for too long have you been subsidizing the large irrigators in this valley. You've been driving out the small farmers and it's critical that you both keep the small farmer in and the large farmer in. Right now the biggest user is probably SITLA. And to subsidize SITLA with giving them the lowest possible rate so they can give out their bonuses, to me it's abhorrent. John: Bill, does SITLA actually farm any land? Bill: No. They lease it to Gary Wilson. John: So SITLA is getting the money lease wise off of somebody leasing property in a business proposition and by us selling that water to him you're extrapolating that we're giving that to SITLA? Is that what you're saying? Bill: No, SITLA is a customer. SITLA is one of your largest customers. John: No. Gary is the customer if he's leasing the land. Bill: Just a minute now...Who is the customer? Marsha: Gary Wilson. Bill: Is he your customer that pays the money? Marsha: SITLA pays the money for the water. Bill: So SITLA is the customer? Marsha: That's right. SITLA is a customer. Bill: SITLA was a customer. Dana: Gary sold the water to them two years ago. Bill: So what you're doing is...you're driving out the small farmer. That's the critical thing. The small farmer is the one you're giving the 30% increase rate to. The small farmer is the one who's going to go out of business now there's... Rex: Wait a minute. I don't think that's correct. Karl: I don't think so either. Bill: I'm an intermediate farmer. Rex: You farm alfalfa? Bill: Yes. Rex: You grow it and sell it? Bill: Yes. Rex: How long have you been doing that? Bill: Six years now. Five years. The key is that you have greenbeds here. The farmers in this valley are in greenbeds. Go to the tax people and find out who your greenbed users are. Lance: It's Greenbelts. Bill: Greenbelts. Those are the people you want to support. And those are the people who should be subsidized, quote, by the other users. The first step is to go to the tax people and find out who's greenbed. Make them your farmers. Support the small farmer. Don't just support the large users. John: So would abdicate that everybody pays the same for water? Bill: No. I haven't gotten there yet. Because we need to subsidize farmers. The goal is...I agree with Dan. He says we shouldn't subsidize the farmers. If that's true, make the big and the small farmer (unintelligible). Is all I'm saying....If you do agree that you do want to subsidize farmers then bring in the small farmer, the greenbelt. John: Governments can't bring anything in. I mean, we can't go "Oh, we're going to bring in these farmers." I mean if farmers want to come here I guess they can but... Mixed unintelligible talking. John: Make those people farmers? Is that what you're saying? Bill: No. Mixed unintelligible talking. John: I'm just trying to understand. Bill: Of my 9 acres or so of greenbelt I have a farm. I have a customer. I sell my hay. I make money and put it in a tax account. These are the people you ought to look at, the small farmer. John: How many people do you think... Bill: Just go to the tax roles and they will tell you. They're easily available. Lance: You have to have a minimum of ten acres under cultivation in order to be considered greenbelt status. Mike: It's five. Mark: It's five and a quarter. John: Five and a quarter under irrigation? Lance: Under cultivation. Bill: The second thing; why are we subsidizing the golf course? You're raising everybody's rate. You're raising the poor guy who uses from 0.9 to 4.9 from the same price as before you charged the golf course. You're charging him forty-five dollars and you're letting the golf course get by for nothing? It's absurd to subsidize one of your largest users. The golf course should be down here at \$45.50. It's the same rate you give those people, you give the golf course. Your rate structure needs to be looked at and developed around what's happening today. We are no longer here just to support the few large farmers. We're here to support the small farmers too. We're here to take this and find additional funds. And I think it is...I think there should be a rate structure for agriculture, I mean household usage could be put in there. It would get you a lot of money. Rex: We have that in there Bill. Bill: No you don't. I don't see it. Rex: That's what the first rate is. Bill: That 0.9 (unintelligible). I'm saying put a line in there called "household use" or "lawn use" Dan: It is not in this rate here. It is in our secondary rate. Like we have a pilot project going on right now on Beeman. Bill: I know you do. That's why I was adding it here. Because I didn't know. Rex: It's not in here. It's a separate billing process that we do. Those people aren't considered irrigation users. That is a secondary water system. Bill: What is the rate? Dana: \$0.50 per thousand for the first 100 thousand gallons. They are charged by the gallon. They are charged monthly. They do not own the water. They can not sell the assignment to anyone. It is our water. Bill: \$0.50 per gallon. Dana: \$0.50 per thousand for the first 100 thousand. About forty-five bucks per acre foot. I think. Bill: Very important. I'm glad you've done it. Bill: Is it going into the irrigation? Dana: You'll have to ask the budget folks. It's not my... Marsha: It is... actually we set it up with the idea of using the pump. Bill: Oh, and the pump is paid for by the irrigation.... Marsha: No. Wait a minute. Wait a minute. We set it up with the idea that if we had to we could pump. We also set it up with the idea of running the pilot project seeing how much we need to charge for this because we had no idea and seeing if it would go over. If it goes over, which so far, the users are just

loving it. Bill: I would think so. Marsha: Then those people, individual households, along the line will get irrigation water. It's not an assignment like you guys have. It's like paying for culinary water. It's whatever they use. We have these new meters that are very inexpensive that don't have anything inside them to impede the water. So it's a clean shot and this is just kind of our pilot project. It's another way we're hoping to raise more water for the irrigation. Bill: Where are the costs involved in this pilot project? Mark: It is going to be in irrigation. Bill: So it is already there? It is small peanuts now but... Dan: Excuse me, everybody, just one at a time please. We got like four or five people talking. Bill: That's what I needed. Get this higher priced water into the irrigation...Unintelligible mixed talking. Dan: Karl, please, Karl. We're having trouble hearing please. Bill: Stop subsidizing the golf course and stop subsidizing the large users. Find out who the small farmers are and have one rate for large users, don't use users, for large farmers... and one – the same rate for the small farmer. Dan: Okay. Any other public comment? Rob: So from what he was saying the golf course is not going to be subject to these increases? Marsha: Of course they are going to be subject to these increases. Bill: They're not on the list. Rex: There is a proposal of a 20% increase of their rates. Bill: I don't see it. I see 125 and up. I don't see the heading "industrial and recreation" that's on the old list. That's where I'm coming from. The old list is different from the new list. Dan: I don't think they ever paid industrial and recreational. Mike: We just went by...Marsha: Yes we did. Rex: We just went off of how much water somebody uses Bill. Mike: We didn't put a name on who's using it. Bill: Again, you have an old price list. You should look at the old list and that's not part of it. That's what I'm saying. Rex: We did look at the whole list Bill. And we decided we wanted to do the pricing based on usage which is what this new chart shows. Bill: So that would significantly reduce the golf course. How much does the golf course use? Rob: 400 and... John: I'll say this much, charging the golf course the same amount that we're charging the farmers who grow food for us to eat versus cart paths with grass around them to knock a ball around... I mean I can see his heartburn on that. Bill: You're putting \$35.00 down to some unknown amount based on their usage that would be twenty-seven. That's the best gift you can give the golf course I've ever seen. While the user, myself, is going up... Unintelligible talking. (laughter) Gavel banging. Manuel: That's over a million dollar industry that comes to Moab, Utah and this County in sales tax, food tax, I'm telling you this community is making money off that golf course. For you to say that you're throwing it away, that's the biggest asset that the City has. John: I didn't say it's not important. I didn't say those words. I questioned the difference between the golf course and a farmer. Dan: Dana. Dana: I can't stand it...but the golf course, just for everyone's benefit, this year when we were having a humongous water shortage that would have affected every one of your bottom line, everybody's and ponds and whatever all you have. The golf course turned their wells on in the middle of June – early July somewhere in that few weeks and they ran them to water their golf course the entire time and did not charge back the irrigation system and did not use all of their allocated water in order to save everyone else from having to pay for their usage. So they covered their own. Some of you may also have run your wells in order to help save the water. Bill: I paid three hundred dollars for my wells to save water and I didn't get a dime back. Dana: Have you asked? Bill: I was offered, yes. But I didn't. Dana: Well, then. The golf course didn't either. All I'm trying to say, Bill, is that they are an asset and we work with the community with them and I think that their bills were probably a lot more than three hundred dollars. And you could all be splitting that right now as well. That's all I wanted to say. Sorry. John: I'm glad you said that Dana. That is a good thing to know. Bill: But the key is; could I be run out of business for the golf course? And that's what we're looking at here. It is the rate payers and the small farmers are getting run out of business to support the golf course because they will buy food and they will go buy lodging. No way. Separate the two. Rex: Bill. Bill what is... Bill: We have one purpose here and that is the small farmers and the farmers (unintelligible). Rex: What does the increase turn out to be in terms of dollars and cents for you? Bill: It doesn't make a difference. What you're doing is subsidizing the golf course. I could care less. Give them the same increase. If you gave 35%... Rex: You're making the point that we're running you out of business; I'm just interested that if you're...what did you say? You're growing two acres of alfalfa? Bill: I said that you would put the small farmer out of business. Different point than me. Don't look at me. Look at all the small farmers out there. I have three small farmers around me. Look at them. Look at the whole picture not just point one finger and try to bring it down to one person. Rex: I'm not trying to point a finger. I'm trying to understand your logic. We're taking all large users and we looked at the economic impact of trying to make up this sixty thousand dollar deficit that we're operating on. And based on usage, we looked at we felt like the smaller the user the easier they could absorb it because when you translate the percentage of increase into dollars and cents, it really comes out into some pretty small numbers. Bill: The small farmer makes less income. It may be a large percentage of his total income, this increase, than the large farmer. You need to look. If you still agree with Dan... I agree with Dan that the purpose of this is to maintain

farming in this valley. The same thing as Mike; the purpose is to maintain the green in this valley. Then don't drive out the small farmer. Rex: I for one as a board member that sat on this committee for the last six months working on this issue; I don't feel like these rate increases pushes any of the small farmers out of business. Bill: You don't know. Rex: Well, do you know? Because if you know, could you present some evidence to that? Bill: Why would you consider a rate increase of 30% or 35% pushing the large farmer out of business? Why would it push the large farmer out of business and not the small farmer? The small farmer makes a lot less money. He's living probably hand to mouth. Rex: I don't know any small farmers. I mean I am an irrigation user and I have two acre feet. And so I fall under the 30% increase. My irrigation water bill last year was \$84.00. Eighty four dollars...now I watered all year long. I have one acre of land, all year long for \$84.00. Bill: You should be under the new rate of \$45.00. That's what I'm saying right now. Rex: No. Bill: Yes you should because it sounds like you are a lawn waterer. Rex: No. We have an association in our neighborhood with twelve households that put all the infrastructure in. My personal investment, myself, was over \$4000.00 for my share of that. But... Bill: Sounds like you should... Rex: ...and we bought the water shares... Bill: Sounds like you should be \$45.00. Rex: We own the water shares... Bill: Rex, you're talking. Rex: Bill, we've had this...Bill, I'm trying to explain to you that there's been a lot of thought into this process and when you translate out these percentage of increases down to the smaller users of water; they can absorb that 30% a lot easier than someone like a farmer that's growing alfalfa on a hundred acres, or the golf course. John: That's true. Rex: And that's why we had this escalating rate with the smallest users absorbing the highest percentage. But when you translate that into dollars and cents proportionately it worked out well. John: It's not much is what you're saying? Bill: You're making a big assumption there that the small farmer is not going out of business. Rex: Yes but you're going off of the fear factor of the percentage. I'm saying...and I asked that question and you refused to answer it. How does it translate into dollars and cents? Me, personally, instead of paying \$84.00, I'm going to pay 30% more than that this next coming year if these rates are accepted. So, 30% on eighty is what? You're an accountant. Now its \$130.00. Tom Stengel: A hundred and five. Bill: A hundred and five. Rex: Whatever. That seems pretty reasonable to me in terms of being able to water my lawn and my yard. I'm a one acre small farmer as you say. Bill: No, you're not. Are you greenbelt? Rex: Nope. Bill: You missed the point then. Rex: Lance just told us greenbelt was five acres. Bill: And you must have agriculture. And you must sell it. You have to be... Rex: Are there a lot of people that do that? Bill: There's three people around me that do it. Mike: Well, I think if you own livestock too and use it for livestock feed... Bill: There is greenbelt for livestock too, yes. Mike: So if you grow your own hay to feed your own livestock. Tom: Don't greenbelts also get a property tax break? Bill: Yes. Because....Tom: Where do we draw the line on giving somebody a break? Bill: Well, you want to keep the valley green. If you don't; don't do it. I mean set your criteria first. Tom: I mean \$24.00 per year is pretty inconsequential. That's two dollars a month. Kyle: It all sounds pretty cheap to me. Tom: Well it does to me too. Mike: You got to consider though too that people aren't making as much as they did a couple of years ago. That's the big... Kyle: I'm talking about Rex's. The big increases, yes, maybe. Mike: I'm just talking about a tax... Rex: I'm embarrassed to pay that much. That's why I didn't have a problem with this 30% increase on these small users. Kyle: It sounds reasonable to me. Dan: Karl had his hand up, and then Dana, and then Robbie is next so.... Karl: Well I just wanted to say something to Bill. I wonder if he ever farmed anything over three acres. Bill: Nine acres. Karl: Did you? Nine huh? You ought to try 900. And then start adding this up and see. And you think that the big farmer...*cell phone ringing*...Dang thing (unintelligible) (laughter) But anyway Bill, you say the big farmers are pushing the little farmers out. That's not...that's unfair. The big farmers are going out of business in this valley and becoming little farmers. I know because that's what happened to my place out there. Instead of me being a big farmer now, we got six little farmers there. And as far as the rate, you know, if you think you're going to raise hay in this valley paying these kinds of water rates and the taxes you pay, hey, forget it. You're doing it to beautify the valley and to increase the value of your property. You're not making a nickel raising hay. I'll grant you that. Gary Wilson will swear to it too. The only reason he makes his pay is because he has a good paying job on the side. That's the only way he makes hay raising. So you are down on the big farmers. The big farmers are the ones that started this and with paying the bill, when I came in, and bought this...they couldn't sell all the water they had for sale when I came on board. I went to a lot of expense and trouble to get my land annexed into this conservancy district so that I could buy water from here...so that they could collect the money that needed to pay the bonds with. Did I make a nickel raising hay? Never. Never. But I have beautified the valley and I've increased the value of the property; not only mine but yours and all the neighbors. And that's the only way, that's the reason I done it. And that's what I'm saying. The people of...you say the farmers are making the money and killing the little guy. Bill: I said the rates are killing the little guy. The farmers aren't. Karl: Well, you're saying they're giving the

farmers, the big land owners, a break. And the big land...it costs just as much to send a man down to read your meter as it does to send him out to read mine. John: You guys are shooting each other with the same gun. You should move on. Karl: I just said the expense is the same on one acre as it is on a hundred. Bill: I just had one other question. Dan: Hang on Bill. I got Dana and Robbie ahead of you. Bill: Okay. Dana: I just wanted to say the purpose of the increase isn't to make the valley green. That is a benefit. The purpose of the increase is to maintain a system that has fallen into disrepair because the money has not been available. That includes meters and pumps that are falling apart and electrical hazards and a number of other things. So, that's all I wanted to say. Unknown: How many meters do we have overall and how many meters are actually going to have to be replaced? Do we, are we thinking that we are going to have to replace every meter on this whole system? Mark: I'm budgeting for a hundred of the hundred and fifty meters. So I'm budgeting for two thirds. Robbie: How many? Mark: Two-thirds. Two-thirds of the meters. The biggest problem we've got of course is the big farmer versus what we got you know, we got the larger farmers, the meters are, they're, you know, a mechanical meter. They need the flows to operate so, when we start getting into the farmers that you know, that aren't using quite as much, as their flows drop off a little bit, those are the meters we're having a hard time with. So, but as far as the actual replacement of meters – it's about a hundred. Dan: Robbie. Robbie: Do you foresee the rate increase at 20% to 30% on average increasing over the next three years to absorb the losses that you say are evident within that? Or, you know, if there hasn't been a rate increase over twenty some years and you plan on getting that back in three years. I think that is probably more of the point that I am looking for as far as my business is concerned – so I don't have a 30% increase... Rex: I don't think we're trying to recapture any money. We're just trying to get to the point where we're – it stands alone. Mike: That's why we're doing this pilot. Basically doing secondary water hopefully that can supplement a lot of what, you know, the big users, if not...Robbie: It will probably take another rate increase at the current levels to make this system sustainable? Rex: This, well...The committee, let me just be frank with you, be honest with you. The committee's discussion was...they were...everybody on the committee expected this kind of turnout on this issue. I was just like when we dealt with the impact fees last year. We hadn't raised impact fees in eleven years and we had to take this 300% increase to get up to the point of...of just getting to a logical number to charge for what the actual cost of doing this is. This number, these percentages, this proposal that I'm looking at basically goes from 30%, the smallest users go up 30% up to the largest users which is a 20% increase. That still only recaptures \$25,000. So that means if all things else stay the same, relevant, we're still in the hole, what, \$35,000 - \$40,000 this year. That means that the other areas of the revenue sources for the Agency are going to subsidize you irrigation users to the tune of \$35,000 to \$45,000. So, we have talked and more than likely we're going to increase it again next year and the year after – and we're going to take these smaller bites. Nobody wanted to come in here and actually increase what we needed to increase to get the number right this year because of this situation. Lance: I would like to add...emphasize something and in terms of what I am going to say – He said "if all things stay constant." One of the things that we are doing, of course, is we are working towards getting the secondary water system up. To the extent that we can get that up as a revenue stream, charging a much higher price for irrigation water for your home and lawn users and to the extent that we can find other ways of lowering the costs of operating the irrigation system. For example, replacing these moribund pumps with higher efficiency pumps in the irrigation wells. So, when we have to supplement the Ken's Lake water, we can do so for less cost. Each year, what we're going to be doing is we're going to be evaluating the actual costs of operating the irrigation system versus the revenues that are being derived from it – including the secondary water system as that comes online. If the numbers balance, we're not going to propose any rate increases at all. If they don't, then to a certain extent, we will, up to a ceiling that we think is tolerable in a given year. So, I can't tell you whether we will or not. We will if we need to and we're working very hard to make sure we don't need to. Rex: And we truly are looking at all things. For example, we have a large amount of water that we can't account for every year from what goes into the lake and what we charge irrigation users. Mike: That's why the new meters are coming. Rex: Exactly. So, I mean we've had years where there's been a million gallons of water or more. Dan: No. Way more. Rex: twenty five million...I mean a God-forsaken amount of water that we can't account for. Unknown: It leaked out. Rex: That's what they kept telling us. But it's like, wait a minute, I'd think we'd see some wet spots on the ground. So there's some irrigation users out there that probably are not paying the right amount of money because their meters are faulty. There's a lot of flaws in the entire system there that we are peeling back and going through every aspect of it. We are trying to be accountable for the full financial picture here. On the issue of irrigation – irrigation does need to stand by itself. The program that Mike talked about with the secondary system, you know, the more...we've had a lot of meetings looking at the wisdom of getting people – stop people from using

culinary water to water lawns and households. That does a lot of good things. Number one – from the irrigation standpoint, we sell water at a higher rate to those users. It's still cheaper than them using culinary water but it's extra revenues that we can get through the irrigation side of the balance sheet that will help offset these costs to the larger user. So there's tons of things that we're doing. We're looking at every aspect of this but the rates are going to have to go up. Robbie: So, as you start to shift people to the secondary water and the less culinary they use, is that going to start to become a setback to your income. Mark: In short, we sell less culinary water. Is that what you're asking? Robbie: Yes. Are you taking away from that? I see the benefit in that but that might make that side of your business operation make less profits? Rex: It does. But it doesn't have anything to do with irrigation users. Dan: It would. And at that point, we may have to look at culinary water rates as well. Lance: One of the things that we are trying to do with this secondary water system concept is to offset the growth and demand on our culinary system. So, in fact, and you see, one of the things that we have as an agency is we have avoided costs that we can avoid and to increase our capacity to produce culinary water. The less that we have to pump, water rights transfer, develop infrastructure for – the better off we are on the cost side on the culinary side. So as long as the amount of water that we are offsetting with secondary water use falls within some sort of general range of the growth of the demand on the culinary system so that the culinary system, instead of growing, stays constant or shrinks slightly; then we are going to end up ahead financially on the culinary side. Dan: Bill. Bill: I guess I really only have one question. Why are you reducing industrial and recreational from \$35.00 and acre foot to \$27.00? I'm looking at the old rate and the new rate. I understand, I've been told that there is no longer industrial and recreational. Why are you reducing them when the primary – i.e. the golf course. Dan: I'm not sure I understand what you are talking about. The old rates say that industrial and recreation is \$35.00. It's been dropped and you now have only users a hundred and twenty five and up is \$27.00. Mike: It's based on the volume of the water. Bill: If it is based on the volume of water; why are you reducing the golf course from \$35.00 to \$27.00 by dropping that classification? Rex: I asked that question in a committee meeting several months ago and was told that the golf course was not charged based on that rate schedule that you're looking at. Bill: Is that true? Were they charged the \$35.00 before? Marsha: I don't think so. I don't think they've ever been charged at \$35.00 but I think...Rex: The golf course was not classified as recreation. Bill: Boy, that was a mistake on your part. Rex: If I may, I don't do that work Bill. Bill: I know. I know you don't. Mark: You're talking about, you're talking about water – types of water use agriculture or M & I are usually the two classifications of water. Okay and what I think you're asking is – Why did the golf course get classified or reclassified from M & I to agriculture. The answer to that is I don't think that it was ever classified as M & I the way the system is set up right now, it is based on acreage only in the Moab Irrigation Company and not type of use. The golf course has always owned enough water that they've gotten the lowest rate. That is my understanding. So, we're actually not changing their rate. I mean not changing their classification, excuse me, we're just changing their rate based on their acreage – just like everybody else's. Bill: Acre feet – not acreage. Mark: Yes. Acre feet of water. Bill: So you've never used recreational off of the old classification at all? I don't know that it has ever been used other than in...Bill: Industrial. Mark: Commercial/construction water – stuff like that. I don't that it's ever... Kyle: Industry. Say you were to come in here and want to buy water – and it's a free market out there for water shares, right? They can buy the water shares from these individuals and these individuals could transfer water to an industry that would be using water. There's no schedule for industry in this schedule? Is that right? Lance: Irrigation water shares are irrigation water shares. Kyle: Shouldn't there be a classification for industry. Mike: I don't think they could buy irrigation water to use as that. I think the irrigation water has to be sold and used as irrigation water. Kyle: Haven't they used it at the gravel pit? Mark: In the policy, I don't have it word for word but, the policy, the policy states that water shall be used for agriculture – beneficial agriculture. If it is used to be for other reasons the board has the authority to set a rate accordingly. I can probably go get exactly the wording on that...Lance: The water rights on which the irrigation water is based are agricultural water rights for beneficial use for agricultural purposes. To change that use to a different category would require a change application be processed through the State Engineer and that would require permission of the Moab Irrigation District which happens to be the origin of the water shares. Kyle: Well, wasn't the gravel pit using water? Bill: Yes. They have the line going under the loop road by the entrance to Ken's Lake. Dana: Kyle, I'm pretty sure that LeGrand Johnson pays M&I rate. They have 8 acre feet I think. And then like when WW Clyde was here and they used water they were charged that rate as well. Mixed unintelligible talking. Kyle: I remember that with the gravel company we did something. I know that we allowed it or just...It seems that if it isn't...it should be a lot higher rate. Dan: Ned then Karl. Ned: What you said awhile ago is that you are going to charge on the actual use. So I'm wondering...I bought two shares. That's what I own. Actually, I pay

twice for those because I have to pay Moab Irrigation and then I pay you guys. So, what's...if we only pay for what we use, how is that going to affect your rate here? Because now everybody here pays for what they have leased. Don't they? Whether they use it or don't use it. Dan: I think that....I think that meters we are referring to are for overages. That's where we have been having problems – is with people going over. Ned: So you'll still pay for what you got leased? Dan: Yes. Lance: But then we'll actually measure what you're using and scold you if you go too much. Dan: Yes. We've had some reports that there's folks out there using quite a bit more than they're entitled to. Mark: If I could add to that a little bit? The primary reason first off is not necessarily for a penalty on the meter. As we all know, we had a very difficult water year this year. We managed to get by. What we need to do...more than anything it's for accounting. So we can say, "Hey guys, we've been cut back fifty percent because it's a dry water year so we need to ask you guys to cut back." And using the meters will help us account for...have you used more than the fifty percent cutback? Or seventy? Or whatever that number may be. That is the primary reason for the meters. It's not as a – as a penalty tool of any type. That's what we're trying to do. We're trying to account for water and help in dry years. You know, a big lesson, I think for everybody, especially us folks here, is to – you know we've got to take a little control over where that water's going. So that's the primary reason for the meters. Lance: We are also planning as an agency to be working with the water users around efficient use issues. So that we can get, you know, more bang for the buck – get more appropriate levels of irrigation going and see that the water is used wisely in the system. Mike: Karl, you said that when they were using pumps before, you know, that they assessed that to the water users? Karl: Yes. They asked us specifically, "Do you want to pump water or do you want to let your crops dry up? The lake's dry." We voted here in this meeting and whoever was interested came and we voted to go ahead and pay the pumping costs and they split it up and I paid my pumping costs. It amounted to about the same as my water fee that one year I remember. But there was three or four years that that happened. Mike: We basically haven't been asking people to, you know, to pay for the pumping costs. Maybe that's...maybe if we would've, you know, added that in before, you know, you might have paid double rates but I think this rate may be cheaper than what, you know, you were...Karl: Probably because this rate – you're splitting it amongst everybody. The other – we was just splitting it amongst the big farmers because they couldn't afford to let the hay fields go and then replant them again. That gets expensive, more expensive than water. Mark: And, an electrical surcharge is one thing that this committee had talked about in the rate structure. Do we want to actually have an electrical surcharge? So, if we have pumping, pumping costs we would attach a surcharge to that. That was actually discussed in the committees. Karl: But we made it through them difficult years because everybody was willing. We was trying to beautify this valley and we got it done. After twenty five years of hard labor and you'd think this deal puts up money...the landowners are the ones that put up the money. They bought the water from this outfit so we'd have the money to pay for the dam. And we did it for one purpose – to increase the value of their property, which they done. And now we've built, in the last ten years...What did we build a hundred new homes out here in the valley? All because of Ken's Lake water. So don't you think that'd raise the....and then the taxes have come up thirty or forty percent in the last ten years. So look at the money you're raising and the revenue you're collecting just off of the property taxes that was created by this lake. They wouldn't be here if it wasn't for that lake. You guys who're born and raised here know it. But anyway to Ned's deal, you know, about whether you know...when I come on board the standing procedure was they charged you...they made you buy five acre feet for every acre of ground. They said that's how much water it takes to irrigate an acre in this valley. And so that's what they set me up on. And I'm the one that made the motion in this...in the meeting that hey, anybody that goes over their acreage that they bought – we charge them three times the going rate. You remember that? Because some of these guys coming home setting their water and going to Lake Powell for two weeks. Coming back, four inch stream of water running down the drink – down the road, you know. We didn't have the water. So I made that motion. Guess who got stuck the first bill? (*Laughter*) And I just had a little 'ole bitty seep there kept the ground wet – cost me six hundred and something bucks. But it didn't take me long to fix it. But anyway, I don't know about...you know, we paid for that water whether we used it or not. We paid for it at the first of the year and if you ain't go no water come the first of June, why that's our tough luck. And that was the understanding when we bought in. My, my, my argument is...that we did buy in. We've been here twenty five years at our own expense, beautifying this valley, bringing the tax base up on it and I think somewhere we ought to get a break. I think you guys...and then in three years this fifty seven thousand a year is going to be paid off and...that ought to count...that'll be fifty seven thousand more in your coffers if you can just squeeze by for three more years...Marsha: It'll reduce your tax rate. Mixed unintelligible talking. Karl: So what if it reduces the tax rate. But it will be still fifty seven thousand that you won't be paying out of this committee. And so...I don't know, I

just...Rex: Karl, we lose that revenue coming in once that bond is paid. Karl: Well, I know but what I just explained is that you got a revenue off of another hundred homes that you didn't have when we set this thing up. And so that ought to be worth something. Plus, you got a thirty or forty percent increase in your tax base so you're getting that much more off from it. Mark: Our tax base...we don't benefit from increasing taxes. Karl: Well, I pay this water assessment in Grand County and San Juan both and I just got my taxes and they raised thirty percent this year. Two years ago they raised fifty percent. Rex: But we're not getting a thirty percent increase on our side of it. Karl: You would if they hadn't have voted down that bond yesterday. Rex: That was the school district. Karl: You can thank God there's some smart people still. Rex: The point is to, Karl, is the infrastructure is getting to be thirty years old. And you know - part of the things we were talking about borrowing money is the meters are going, the valves are going we're, we're having problems. We've got to invest money back into that system to, to keep that infrastructure up. Karl: Well, we put that plastic pipe in and as long as you keep the heat and the cold off from it - it's supposed to last forever. Dan: Pumps don't last forever. Karl: Nope. Dan: Meters don't last forever. Karl: I'm just not so sure that you need to go in and replace them all at once. Why not replace them as they quit? Dana: Those are the ones that quit, Karl. Karl: You can get a pump overnight. That's something that I don't understand - is why we need to replace all them pumps at once. A lot of years...Mark: We're only replacing one pump. Karl: You are just abdicating replacing one, huh? Mark: Correct. Karl: I just heard talk there - I guess I missed it. The talk was about six or eight wells. Mark: Yeah but...yeah that was the electricity costs for all those wells together. Only one pump are we abdicating...Karl: Is it just the pump replaced or are you abdicating putting in a new well? Mark: The existing Beeman Well. Karl: The existing Beeman Well? Mark: Correct. Karl: Well, that pump's getting pretty old alright but did it quit working? Did it malfunction this year? Mark: No. We ran it, it ran all year. However, it ran way outside of what it...of its design parameters. It was designed to pump into a field using an eighty pound irrigation line. So it's running very... you know, instead of putting out a thousand gpm's like it's supposed to - it's only putting out four hundred...or three seventy five. Mixed unintelligible talking. Karl: Well...Dan: Okay, is there any other public comment? We really need to wrap this up. Doug Carroll: You know I haven't really said a lot tonight. You know I've just been kinda sitng here. You know, I came to the meeting just to sit in here and listen. I'm sure you people know a whole lot more about the economics and the...and the whole situation about delivering water to us. You know, I pay an assessment on about seventy acre feet. I have for ten years and I've been trying to think back on how many increases you've had - I heard that you haven't had any, huh? After you get to fifty, fifty years old, you know you can't remember what you ate for breakfast yesterday, so guess I have to take your word for it. Marsha: 1987. Doug: I'm going to take your word for it and my concern is, you know in our government, in general, we've got people that have never run a business except the public's business - and it's a big business. And big business has a history of squandering funds. They set up budgets and when they get to the end of the year, if there's money there, the attitude is - we gotta spend it or we're gonna lose it. Hey, there's nothing wrong with losing. You know, putting the money in...not spending the public's money. You know, when you're in small business, you're gonna spend what you have to spend to get by. I just hope, you know, I'm just here to let you know that I'm concerned and I think you know more about it than I do...and I don't think that twenty percent is outrageous. You know, after that amount of time. Like it's been said here tonight, you know, I need to find a market for sand burrs. That's all I raise with my seventy acre feet. So, it's best...oh, and they are green Karl. Sand burrs - keep the sand down. I'm just saying; be accountable with our money, be realistic, and I don't think that this is really too outrageous. Thank you. Dan: Okay, anyone else - anyone else on the board? John: Yeah, I just want to say...I think that...you guys should know...I think I can speak for everybody on the board here. I'm sure every one of us has had - has sat at our kitchen tables and spoke with our families about not wanting to have the same thing happen that's happening around the country and with the school board. We are very conscious of, of the fact that we have public money that we're spending and no matter what our individual politics are; everybody on this board is concerned about you guys. That's the only reason we're here. Karl: Well, if it wasn't for us buying the water, they wouldn't need this board. Mike: That's true. That's true. Karl: and so I feel like we're...I feel like we're contributing quite a bit to this cause. John: I agree, I agree with that. Karl: I just hope that you guys will reconsider. See if you can't figure out somewhere to cut some off instead of adding more on. You know, when you get my age, you're living on whatever you've saved in your life and in my case it wasn't very much. So, I'm living pretty skimpy these days. You guys, if you live long enough, you'll be my age and you'll know what I'm talking about. So, be easy on us. Dan: Okay, anything else? Okay, I will close the public hearing. Chairman Pyatt closed the public hearing at 9:07 p.m.

Discuss, consider, approve irrigation rate increase Motion by Lance Christie to approve Resolution 2009-11-05. Second by John Hartley. Dan Pyatt – Aye, Rex Tanner – Aye, Brian Backus – Aye, Jerry McNeely – Aye, Lance Christie – Aye, Kyle Bailey – Aye, Tom Stengel – Aye, Chris Baird – Aye, John Hartley – Aye, Mike Holyoak – Aye. MOTION CARRIED.

Water loss report Water loss report for October 2009 shows a loss of 6.12%.

Committee Report(s) President Pyatt said the committees met to discuss the items on the agenda.

Items from staff A special meeting of Spanish Valley Water & Sewer Improvement District was set for November 12, 2009 at noon for the official canvass of the 2009 election.

Items from Board Members

Closed session as needed None

President Pyatt declared the meeting adjourned. Hearing no objections; the meeting adjourned at 9:16 p.m.

ATTEST:

Dan Pyatt, Chairman

Gary Wilson, Vice Chairman