

GRAND COUNTY WATER CONSERVANCY DISTRICT
GRAND COUNTY SPECIAL SERVICE WATER DISTRICT

Regular Meeting -----April 11, 1996

The meeting was called to order by the Chairman, Bill D. McDougald at 7:00 A.M. at the District office. Other Board members present were Dan Holyoak, Ned Dalton, George White, James Walker, and John Groo.

Special Service District members present were Dan Holyoak, George White and Bill McDougald.

Others present were Paul Morris, Dale Pierson, Marsha Modine, and Jan Harston.

ATTENDANCE

After calling for additions or corrections to the minutes of the meeting of March 28, 1996, and hearing none, the Chair declared the minutes approved as circulated to the Board. Motion: Dalton Seconded: White MOTION CARRIED

APPROVAL
OF
MINUTES

CHECK APPROVAL: Motion to approve checks as presented to the Board. Motion: Dan Second: Walker MOTION CARRIED

CHECK
APPROVAL

SAND FLATS DEVELOPMENT: Paul Morris stated that he and Dale Pierson have discussed this development with PCIB, and Tim Pine from the Division of Drinking water. All discussions were positive including the initial financial scenario which was reviewed with Keith Barnett from PCIB. Keith suggested that we do not want to request grant money and that the District wouldn't have a difficult time getting a loan through PCIB. Paul asked the Board if they had further questions and whether the Board was ready for him to get a PCIB application and therefore be on the June Agenda for funding. The next funding meeting will be in December 1996.

SAND
FLATS
DEVELOPMENT

The following discussion ensued between Board Members and Paul Morris:

George: How is the District guaranteed that it will not lose money? George said he felt that the district should not be in the construction business unless the District is guaranteed not to lose money.

Paul: I have tried to design a package where the District will not be liable. We will have to have assurances from the District or we will not be able to proceed. We need to get the tank in place before people drill wells. It is easier to have the system in place at the beginning of the development than to try to get people to go on to a new system later. That is the strongest argument for this proposal, to get it set before there is a proliferation of wells in

the area. PCIB needs to feel assured that the Conservancy District will have no liability for servicing of this note.

Dan made a motion stating that Paul should go ahead and get the application process started.

John Groo: Will this be on State lands or will it be a purchase?

Paul: I have a copy of the contract with the State for the lease of this property for 30 years with a review every year. Paul stated that he has been assured that they will be able to buy that property with no one else having that chance.

John stated that he was opposed to a State lease and would like to see the District own the land from the beginning. He asked, "Paul, what the possibility of getting a couple of acres from a private owner?"

Paul acknowledged that there is this possibility.

Ned: Are we going to have to do this for every developer that comes to us?

Paul: These developers will have paid their way and the district has no liability. I don't think that because the district commits to one developer that they will have to commit to all. The analysis has to be a positive one or the answer will be no.

Dale: They will have to open it up to public bid for the State lands.

John: What is the possibility of getting a couple of acres from a private owner.

Paul: That is a possibility.

Bill: Those 14 lots should stand the (cost of the) development of that subdivision or it will not be fair to the rest of the district.

Dale: It would have to be a separate revenue district.

Paul: If we are going to put a tank up there we will drill at different sites depending upon which way we go, (with either one well or individual wells).

Ned: I would think you would find some water before you develop.

Bill: When you put 14 lots out there - you are going to have a hard time financing the rest of the 75.

Paul: Its actually 19. To help service the note initially, we would build a trust fund and the interest from it should take care of the annual note service. As we get going with it and the monies get routed, we should have less and less trust fund participation with the note. We know that in the beginning there will be more expense with the initial lots and less thereafter.

SAND
FLATS
DEVELOPMENT
CONTINUED

Bill: Would this be under the umbrella of the three districts?

Dan: No, Spanish Valley is a separate agency.

Paul: We are putting in a distribution system that is not part of that \$150,000 - \$200,000 going toward the infrastructure(well and tank) that could make this all possible.

Dale: Keith Burnett said that yesterday, he wasn't sure whether it (the trust fund) would meet their criteria, there are certain constraints that they have to deal with.

There needs to be an informal letter of intent. Brent Rose will want to review it because the district and developers will have to enter into a contract.

We've drilled enough dry holes that we want assurance from the developer that there is water there and the water is suitable. We want Tim Pine to come down and look at that well site. We may have to deal with wellhead protection in approximation to the dump. We need to look at all these things.

Paul: This is the last funding in this trimester. I don't see a big problem in drilling a test well before we go to their meeting.

Dale: What about the water rights.

Paul: I have talked to Mark Page, and the Conservancy District could transfer water rights without any problem.

Dale: We have at least 4 CFS that are not committed from the Schumaker Wells.

Motion made regarding Sand Flats Development died due to the lack of a second. No action was taken on this matter.

KEN'S LAKE RECREATION PLAN: We are still working on specifications on the camp area. I have been working with BLM and we are not going to meet their specs exactly as they are stricter than what we will require. As soon as I can get specifications to you then we will look at going out to bid for the pads for the campsites.

KEN'S
LAKE
RECREATION
PLAN

FINANCIAL STATEMENT: Financial Statement for February, 1996 was presented to Board for their review. After brief discussion with Marsha, the Board was satisfied with the statement. FINANCIAL STATEMENT

ITEMS FROM BOARD: Jim Walker stated that Moab Irrigation District has a problem in that they have relied on run-off and there is no run-off this year. He inquired about getting the contract re-written. Jim commented that they were trying to push water across dry land and they can't. Dale gave an example that if they took one additional CFS in April, the district would then reduce the flows, i.e. in August they would be looking at 8.25 rather than 9.25 CFS. Beyond that adjustment it would take re-opening the contract.

ITEMS
FROM
THE BOARD

ITEMS FROM THE STAFF: Personnel Hours Summary for March, 1996 presented to Board for review.

ITEMS
FROM STAFF

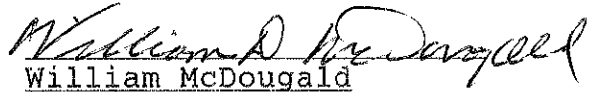
Meeting adjourned at 8:00 A.M.

ADJOURNMENT

ATTEST:



Dale F. Pierson, Sec'y/Treas.



William McDougald

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