

GRAND WATER & SEWER SERVICE AGENCY
Operating Committee Meeting
June 5, 2003

The meeting was called to order by President Gary Wilson at 7:00 p.m. at the Agency office, 3025 East Spanish Trail Road, Moab, Utah. Other Operating Committee members present were Dan Holyoak, Barbara Morra, Dan Pyatt, William McDougald (arrived at 7:22 pm) and Rex Tanner. Other Board members present were Karl Tangren, Jerry McNeely, Karla VanderZanden and Kyle Bailey. Those present established a quorum.

Others present were Judy Carmichael, Dave Cozzens, Lisa Church, Bill Love, Jeff Davis, Donna Metzler, Lisa Church, Cheryl Nyland, Stacey Boender, Marsha Modine and Dale Pierson.

Minutes

Motion by Dan Pyatt to approve the minutes of the meeting of May 15, 2003. Second by Rex Tanner. Gary Wilson-Aye, Dan Holyoak-Aye, Dan Pyatt-Aye, Rex Tanner-Aye, Karl Tangren-Aye, Karla VanderZanden-Aye, Kyle Bailey-Aye, Jerry McNeely-Aye, William McDougald and Barbara Morra-absent for vote. MOTION CARRIED.

Citizens to be Heard Dave Cozzens referred to a section in the Public Facilities Analysis, that stated Moab City has a 1.3 million gallon surplus of water each day. He suggested if the Agency is really short on water, that property owners who plan to develop their parcels someday, such as himself and Bill Love, pay impact fees up front and use the money to purchase water from the City to cover the water needs of their respective developments.

Bill Love restated his concern about promising water service to new customer's, especially out of the county, and the subsequent loss of property value in Grand County if there is not enough water to serve everyone's needs.

Regarding a letter to the Times Independent Editor written by Bill Love, President Wilson explained that a Revenue Bond will pay for the George White property purchase. This type of bond is repaid only by Spanish Valley culinary water users. The only way Grand County residents could be taxed to pay for the purchase is if the Grand County residents voted to approve a General Obligation Bond for the purchase.

Karla VanderZanden motioned to direct staff to get written clarification from the Agency's attorney on who is ultimately responsible to pay for the revenue bond in the event of default on the George White property. Second by Dan Holyoak. Dan Holyoak-Aye, Dan Pyatt-Aye, Karl Tangren-Aye, Karla VanderZanden-Aye, Kyle Bailey-Aye, William McDougald-Aye and Barbara Morra-aye. Gary Wilson-Nay, Rex Tanner-Nay, and Jerry McNeely-Nay MOTION CARRIED.

Moab City Sewer Agreement The Board reviewed the current draft of the Sewage Treatment Agreement. Kyle Bailey said the City is not trying to curtail development. The City wants orderly, planned development. The agreement is not meant to stop anything. Dan Pyatt pointed out that while it may not be the City's intention to curtail development, certain clauses in the agreement give the City that power. Gary Wilson suggested that a committee be formed to look into the points of the document that the Agency takes issue with and give a report to the full Board. Rex Tanner suggested the Agency wait on any decisions regarding the agreement because the County will be meeting on the sewer plant issue shortly and that meeting may affect items in the agreement. Specifically, Rex suggested the City and County create a jointly operated sewage treatment plant under the management of a new agency. Karl Tangren suggested the Board look into building its own plant for Spanish Valley. Rex Tanner motioned to table the Moab City Sewer Agreement. Second by Dan Holyoak. Gary Wilson-Aye, Dan Holyoak-Aye, Dan Pyatt-Aye, Rex Tanner-Aye, Karl Tangren-Aye, Karla VanderZanden-Aye, Jerry McNeely-Aye, William McDougald-Aye, Barbara Morra-Nay and Kyle Bailey-Nay. MOTION CARRIED.

Conflict of
Interest

Conflicts of Interest Barbara Morra wanted to ensure the Agency has policies and procedures in place for Board members to declare conflicts of interest. Dale explained that several years ago the Board adopted Utah State requirements as part of the Agency's Board Governance Policy. Under the policy, it is up to each Board member to declare a conflict prior to making a decision on an issue. A declaration of a conflict does not necessarily prohibit a member from voting on the conflicted issue. Rex Tanner pointed out that having a conflict of interest is not a negative. In a number of ways it is desirable, because then the Board member usually has deeper knowledge on the issue. Barbara Morra motioned to devise a method to enforce existing policy. Second by Karla VanderZanden. After further discussion and Karla clarifying her second to mean she is in support of having a method on record to declare conflicts of interest, the Board voted as follows: Barbara Morra-Aye, Kyle Bailey-Aye, Karla VanderZanden-Aye, Gary Wilson-Nay, Dan Holyoak- Nay, Dan Pyatt- Nay, Rex Tanner-Nay, Karl Tangren-Nay, Jerry McNeely-Nay. MOTION FAILED.

Consumer Confidence Report The Board reviewed the Annual Consumer Confidence Report and Dale explained that the report was published in the Times Independent as a requirement of the Environmental Protection Agency. Next year Dale plans to publish the report in the Agency's quarterly newsletter, which also meets EPA requirements.

Agency Newsletter Dale presented the first Agency newsletter to the Board. He also explained that the Annual Consumer Confidence Report was not included in the newsletter as originally planned because it would have taken up most of the space and it was not quite appropriate for the first edition.

2003 Irrigation Season Dale reported the May diversions to Ken's Lake were 123% of average. Storage in the Lake is 93% of average. The lake should be full within the next week. At this time, there is no recommendation for water restrictions.

Irrigation Seas

Check Approval Motion by Dan Holyoak to approve the checks in the amount of \$53,744.70. Second by William McDougald. Gary Wilson-Aye, Dan Holyoak-Aye, Dan Pyatt-Aye, Rex Tanner-Aye, Karl Tangren-Aye, Karla VanderZanden-Aye, Jerry McNeely-Aye, William McDougald-Aye, Kyle Bailey-Aye, Barbara Morra-Nay. MOTION CARRIED.

Items From Board None.

Items From Staff Dale presented the Board with the Utah Drinking Water Board's June 13, 2003 meeting agenda to be held at the Grand Water and Sewer Service Agency's Office.

President Wilson declared the meeting adjourned. Hearing no objections the meeting adjourned at 8:40 pm.

ATTEST:

Dale F. Pierson, Secretary/Treasurer

Gary N. Wilson, President