

GRAND COUNTY WATER CONSERVANCY DISTRICT
Full Board Meeting
September 4, 2008

The meeting was called to order by Chairman Dan Pyatt at 7:20 p.m. at the Agency office, 3025 East Spanish Trail Road, Moab, Utah. Other District members present were Rex Tanner and Brian Backus. Those present established a quorum. Absent was Jerry McNeely.

Others present were: Gary Wilson, Mike Holyoak, Kyle Bailey, Lance Christie, Fred Powell, George Carter, Nels Werner, Tom Lacy, Doug Rasmussen, Ron Georg, Sarah Fields, Mark Sovine, Marsha Modine, and Dana Van Horn. Barb Morra participated via telephone.

Minutes – Board Meetings of 6/26/08 and 7/31/08 Motion by Brian Backus to approve the minutes for the meetings of June 26, 2008 and July 31, 2008. Second by Rex Tanner. Dan Pyatt-Aye, Rex Tanner-Aye, Brian Backus-Aye. MOTION CARRIED.

Public Hearing – amend Agency Interlocal Agreement Chairman Pyatt opened the public hearing at 7:21 p.m.
Dan: Would anyone like to speak on the subject? **Barb:** I would. **Dan:** Okay Barb. We have heard your comments in Spanish Valley so please keep that in mind. **Barb:** Okay. My comment is...the main thing I wanted to ask about is...like I said in the Spanish Valley meeting...can you hear me okay? **Dana:** Yes. **Rex:** It is rough Barb. So try to be as clear as you can. **Barb:** Is this any better? Is this any better? **Rex:** It's a little better. **Barb:** At the first meeting I asked questions. But I didn't get answers to my questions. Is it the same thing with you? **Dan:** Yes. We will just take comments. **Barb:** Okay. Usually at the beginning of a public hearing they have a presentation. A ten or fifteen minute presentation at the beginning of the meeting...which I guess you aren't having. Are you following me? Hello? **Dan:** Barely, Barely. **Dana:** I don't think anyone knows anything about a presentation. **Barb:** Okay. Can you hear me now? Because I can't hear you. **Dana:** You can't hear us at all? **Barb:** I can't hear you...I'll keep talking in hopes that you hear me. My question is what is there to do? Because without a presentation it's hard for the public to know exactly what's going on here. I got a draft to of an amendment to an agreement but I really don't understand what's going on and what you're planning on doing. I guess my only question for the Conservancy District is: How will the amendment benefit the Conservancy District? And my last question is: Just how are you going to figure out the proportionate share for each district if it comes to be that a district pulls out? Can you hear me? **Dan:** Yes. **Barb:** Because I sure can't hear anything from there. **Dan:** Yes I can hear you. We heard the questions. **Barb:** That's all I had. Thanks. **Dan:** Okay. Thank you, Barb. Any further comments? Sarah? **Sarah Fields:** Should I come up? **Dan:** Whatever you're comfortable with. **Sarah:** Okay. As a member of the public who's just trying to get a handle on how this agency works in relationship to the other districts; this proposal is really hard to understand and I think the point that Barb was trying to make was no initial discussion. Usually, usually when you go before some other boards and they are having a hearing they kind of explain what the hearing is about. They kind of go over what the issue is that is going to be discussed. I'm sorry I was late and missed the beginning of your first meeting. But I don't think maybe that happened before that meeting either. Um, so I think that you should have a public workshop on some of these issues because I know I have a lot...I have a lot of questions. And mostly there are questions about how all of this fits together and when you're just trying to get a handle on it and there's a lot of documents – older documents to look at. It's hard to understand and that's where I think the public...you should have a workshop on this – on what's going on so the public can come and present questions and have – get answers to the questions. I know when I was looking over the draft; the first thing that popped into my mind was since only one of the agencies is actually involved the provision of sewer service, I wondered why/how the other agencies could be involved in a bond or committed to the bond when the other agencies don't provide sewer service. That was one of um, my primary questions is understanding how this whole bonding process will work and you haven't really approached that in this. You're just talking about well what happens if this whole thing falls apart. And since you...so it's really the public needs some kind of workshop where they can come and ask these questions and get answers to the questions. And I'd like you to hold this open at least for members of the public to present written comment. I know it's much easier for me once I look at documents and sit down at the computer to make written comments rather than coming and making some...just making oral comments. I'm used to writing. Thank you. **Dan:** Okay. Thanks, Sarah. **Rex:** Could I...**Dan:** Sure. **Rex:** say something? Do you have the copy of the original Interlocal Agreement? **Sarah:** No. **Rex:** That would be the first document you want to obtain so you can

understand what the amended Interlocal Agreement and compare the two documents. So, that would help you understand what the public hearing is about in a sense of the changes that we're proposing. Are you wanting...as a member of the public, are you wanting to understand how the Agency operates? Because the questions you are asking are really not pertinent to what the public hearing is tied to. **Sarah:** Well, it seems like the public hearing is tied to a possible bond that this Agency wants to um... **Rex:** It's not. There's no project on the table that we're looking to bond. The history of this...you know the original agreement goes back to '98-'99. That's the timeframe of the original Interlocal Agreement that created the Agency itself. **Sarah:** Well, in the introduction here it talks about the possibility of a bond for..."The Districts may need to expand the water and wastewater facilities operated by the Agency to facilitate new growth within the boundaries of the districts and will need to issue Agency Revenue Bonds." And I thought the whole purpose of this to make a timeframe of two years rather than six years that one district can withdraw from the Agency was so that you could approach bonding agencies...**Rex:** That part is correct but your reference to a specific project is not really part of what the discussion is in terms of this interlocal agreement. In '98 and '99 there were just three districts operating. There was no Agency...**Sarah:** Yeah. I understand some of it. **Rex:** ...And the wisdom of those people on the board at that time of all the three separate boards and I was not one of those individuals - was that they were...I think they realized that it was very difficult to operate for the people of this valley – concerning all the aspects of water and that's where they developed the idea that maybe we need to bring all of these different entities under one umbrella called the Agency. **Sarah:** I understand that. **Rex:** Okay then, if you'll just give me a second I'll...**Sarah:** I understand that process. **Rex:** That's good. Then you're farther ahead than most people in the public. So, part of the...one of the problems with that original interlocal agreement is that because there is so much interconnection between these different agencies; one thing that was discovered was to do projects as an agency – they could do everything except finance the project. And so the purpose of this was to continue the process of working under the agency umbrella and instead of making decisions and making plans as an agency had been having to rely on a specific district to finance it. The feeling has been that if we develop a plan and we're going forward on a project under the concept of the Agency then perhaps we need to bond and develop the financing tied to that same concept. That's the essence of what this is about. So what we're doing is going in and suggesting we need to change this agreement that would allow us to do the financial side of these projects not just the planning side of these projects as an agency. Does that make sense? **Sarah:** Yes, but there are more details I think maybe that will come in the future as perhaps you want to go forward with the bond for a particular project and the issue... **Rex:** All this change does really is, at least my understanding of it, unless you have a different understanding, is that this will allow the Agency to bond; as opposed to relying on one specific district to bond. That's the sole purpose. **Sarah:** Okay. Thank you. **Dan:** Anyone else? Okay, I'm going to close the public hearing.

Chairman Pyatt closed the public hearing at 7:31 p.m.

Discuss, consider, approve amended Agency Interlocal Agreement Motion to table this agenda item to allow for public comment of at least two weeks by Rex Tanner. Second by Brian Backus. Dan Pyatt-Aye, Rex Tanner-Aye, Brian Backus-Aye. MOTION CARRIED

Interview candidates for trustee position – Nels Werner III, Tom Lacy, and Preston Paxman Mr. Paxman was unable to attend this meeting and his interview will be rescheduled for the Agency meeting of September 18, 2008. The board interviewed Mr. Nels Werner III and Tom Lacy.

Tom Lacy left at 7:47 p.m.

Audit report – Doug Rasmussen – Action Item Doug Rasmussen of Smuin, Rich and Marsing presented the audit for the year ending December 31, 2007 to the board. Per the Office of the State Auditor the report submitted was in substantial compliance with the reporting requirements; the budget was exceeded without amendment during the year. Marsha explained that the District purchased MIC shares and it was an oversight that the budget was not amended to reflect that before the end of the year. Motion to accept the audit for the year ending December 31, 2007 by Brian Backus. Second by Rex Tanner. Dan Pyatt-Aye, Rex Tanner-Aye, Brian Backus-Aye. MOTION CARRIED.

Discuss, consider, approve proposed five year audit pricing schedule Motion to accept the five year pricing schedule as presented by Brian Backus. Second by Rex Tanner. Dan Pyatt-Aye, Rex Tanner-Aye, Brian Backus-Aye. MOTION CARRIED.

Financial Statement Marsha presented the 2nd quarter financial statement to the board.

Chairman Pyatt declared the meeting adjourned. Hearing no objections; the meeting adjourned at 8:08 p.m.

ATTEST:

Dan Pyatt, Chairman

Jerry McNeely, Vice Chairman