

Spanish Valley Water & Sewer Improvement District
Regular Meeting
June 26, 2002

The meeting was called to order by Chairman Dan Holyoak at 7:02 p.m. at the Agency office, 3025 E Spanish Trail Road, Moab, Utah. Other SVW&SID Members present were Neal Dalton, Karla VanderZanden, Al McLeod and Barbara Morra. Those in attendance established a quorum.

Others present were Dale Pierson, Marsha Modine, GWSSA Members – Bill McDougald, Rex Tanner, Kyle Bailey, Karl Tangren, James Walker, and Dan Pyatt, John Chartier of Sunrise Engineering.

Chairman Holyoak called for additions or corrections to the minutes of the Special Meeting of March 27, 2002. Barb requested that under the item **#2002-02 Consideration and Adoption of a Bond Resolution authorizing the issuance of a \$335,000 Parity Water Revenue Bond, Series 200C of Spanish Valley Water & Sewer Improvement District** a second sentence be inserted as follows “Dale stated that the Water Project had a cost overrun of \$633,000, but there were also \$300,000 in savings within Project line items”. Barb also asked that under **Items from Board Members**, a second paragraph be inserted that reads “Al McLeod stated that he had a copy of a petition for annexation of the North Corridor which did not contain Nate Knight’s property. Dale pointed out that only those properties which had petitioned for annexation were annexed into SVW&SID.” Motion by Karla VanderZanden to approve the minutes as corrected. Second by Barb Morra. Dan – aye, Neal – aye, Barbara – aye, Al – aye, Karla – aye. MOTION CARRIED.

Tax Hearing Chairman Holyoak opened the 2002 Tax Hearing at 7:09 p.m. Marsha explained the proposed tax rates and how those rates were set. Barb Morra asked if the purpose of the taxes was only for General Obligation Bonds or if they provided funds for other expenses. Marsha explained that in addition to the General obligation Bond requirements, \$17,000 in Maintenance and Operation expense was provided for within the Tax Rate. Karla VanderZanden asked if the Tax Rate had gone up. Marsha stated that the Tax Rate was set as allowed by the Bond. The assessment decreases as additional properties are developed. The 2002 Tax Rate is lower than the 2001 Tax Rate and each individual property owner will pay less. Barb asked to look at the 2002 budget. Marsha directed her to the Financial Statement in the Board packet which contains all 2002 budget line items. Barb then asked Marsha to point out which Budget line items contained the General Obligation Bond payments and the M&O amounts. Marsha did so. Barb asked if the SVW&SID Budget could be amended. Marsha answered yes, that amendment was required if the total income and disbursement figures changed or could be amended if the Board chose to do so. Chairman Holyoak closed the Tax Hearing at 7:23 p.m.

Set 2002 Tax Rules Motion by Karla VanderZanden to accept the 2002 Tax Rates as presented. Second by Al McLeod. Dan Holyoak – aye, Karla VanderZanden – aye, Neal Dalton – aye, Al McLeod – aye, Barbara Morra – abstain. MOTION CARRIED.

Amendment of Engineering Contract Neal Dalton asked if the additional funds required for the amendment were included in the additional funding received for the Water Project. John Chartier stated that it was. Barbara Mora asked where in the SVW&SID 2002 Budget this expenditure was shown. Marsha explained that Water Project expenditures are shown in several years budgets. She pointed out the line items in the 2002 budget that were for the Water Project. Karla VanderZanden requested that a summary of the Water Project Budget be presented to the Board at a later meeting. Motion by Neal Dalton to approve the Amendment of the Engineering Contract. Second by Karla VanderZanden. Dan Holyoak – aye, Karla VanderZanden – aye, Neal Dalton – aye, Barbara Morra – aye, Al McLeod – aye. MOTION CARRIED.

Request for Special Meeting to Determine if SVW&SID should purchase SITLA Water Project Lands Barb stated that she had asked Chairman Holyoak for this agenda item so that a discussion could be held by the SVW&SID Board regarding that Board purchasing the properties rather than the GW&SSA Board taking action on the matter. A phone conference held by

Pierson, Barbara Morra, and SITLA Attorney John Andrews was reported and discussed. Dale said that SITLA was still open to selling the tank site. Barb pointed out that the Spanish Valley well site could also be purchased. Dale reported that John Andrews had said that a purchase would not have to follow the normal SITLA bid process but would be based on a cash sale and on Capitalized Income rather than appraised value. Barb stated that the use of Capitalized Income was only an idea and would not necessarily be the basis of the sale. Dale mentioned that even if the properties were purchased, the right-of-ways and the Chlorination Generation site would still have to be leased. Motion by Neal Dalton to erect staff to further investigate the purchase of the tank site and Spanish Valley well site and provide the Board with the terms and prices of a proposed purchase. Second by Dan Holyoak. Karla Vanderzanden stated that this direction should come from the GW&SSA Board under the administration terms of the Interlocal Agreement forming the agency rather than from the SVW&SID Board. Dan said he felt that the requested information was for the knowledge of the Board and could be presented to GW&SSA for their action if that was the determination. Question was called on the motion. Dan Holyoak – Aye, Karla VanderZanden – Aye, Neal Dalton – Aye, Barbara Morra – Aye, Al McLeod – Aye. MOTION CARRIED. Motion by Barbara Morra to hold a special SVW&SID Board meeting to discuss purchase of Water Project SITLA lands. Motion died for lack of a second.

Request for Special Meeting to Determine if Attorney should be hired to Investigate SVW&SID involvement in GW&SSA Barbara Morra stated that she had contacted Mark Burns at the Utah Attorney General's office and had discussed the Interlocal Agreement forming GW&SSA with him. She said that he had concerns with the agreement. Dale asked if Mark had been made aware that the Interlocal Agreement had been reviewed by the Office of the Attorney General, Utah State Auditor's office, and Utah's Bonding Attorney. Barb said as there was no signature by the Attorney General approving the agreement as to form, she had not informed Mark Burns of that. Barb presented the Board with portions of the Interlocal Cooperation Act which she had prepared and within which she had highlighted areas of concern. Karla stated that, at the present time, there is a lot going on and plenty of areas to utilize staff resources. She stated that the issues with the Agency had been addressed at the workshop and would be additionally addressed at a future meeting per the GW&SSA Board instructions to staff. Motion by Barb Morra to hold a special SVW&SID meeting to determine if an attorney should be hired to investigate SVW&SID involvement in GW&SSA. Second by Al McLeod. Barb Morra – Aye, Al McLeod – Aye, Dan Holyoak – Nay, Karla VanderZanden – Nay, Neal Dalton – Nay. MOTION FAILED>

Financial Statement Marsha Modine presented the 4th quarter 2001 and the 1st quarter 2002 financial statements to the Board. Discussion followed regarding interest rates for invested District funds.

Adjournment Motion by Al McLeod to adjourn. Second by Neal Dalton. Dan Holyoak – Aye, Karla VanderZanden – Aye, Neal Dalton – Aye, Barbara Morra – Aye, Al McLeod – Aye.

Chairman Holyoak declared the meeting adjourned at 8:12 p.m.

ATTEST:

A. Dan Holyoak, Chairman

Neal Dalton, Clerk

SVW&SID
Special Meeting
Request

Financial
Statement

Adjournment