

SPANISH VALLEY WATER SEWER IMPROVEMENT DISTRICT

Special Meeting ----- May 2, 1988

The meeting was called to order by the Vice-Chairman, George White at 7:00 P.M. at the District office. Other Board members present were Neal Dalton and Dan Holyoak, and Darwin Gilger.

ATTENDANCE

Others present were Rick Burtenshaw, representative of Zion's Bank, Dale Pierson, Marsha Modine and Roberta Highland.

Roberta Highland read the minutes of April 13, 1988. After calling for additions or corrections, and hearing none, the Chair declared the minutes approved as read.

MINUTES

Rick Burtenshaw handed those present an updated proposal from Zion's Bank and gave a brief history of the FmHA sell-out; he stated that the bonds were being put into a pool of 10 million dollars, and Zion's Bank has been contacting bond holders. Darwin asked if the District could pay the approximately \$6,000. per year in additional bond payments to get on this program. Marsha stated the District would have to raise approximately \$4,000.00 more per year in revenues. Marsha reported that she had run some projections, and from those projections, a 10 cents per thousand above the minimums would raise the necessary funds; The proposal would eventually save \$852,000.00. Burtenshaw stated that the District will not be able to re-finance these bonds with tax exempt funds. Burtenshaw explained that for the first five years, there can be no pre-payment, after five years, a pre-payment penalty, and after ten years, no pre-payment penalty. Dan moved to accept the proposal and re-finance the bonds with Zion's Bank. Neal stated he felt obliged to keep rates the same, as the Board had promised never to raise rates. George seconded the motion to re-finance the bonds. Pierson pointed out that consideration should be given the District members, who do not use water and sewer will benefit from this in the tax reduction. Darwin asked Marsha to publish an article in the paper, and present some questions for Dee Tranter and appear on his program. Burtenshaw reminded the Board of the timing involved, by the 10th of May we will know exactly what the buy out will be, with a June 7th closing. The Board will need to have a meeting in Mid-May. Rick explained that the good faith deposit will obligate the District, and that if the financing from Zions does not go through, then FmHA would then either use that deposit as a pre-payment on the end of the bonds, or use it as the next payment. Darwin asked if the interest is set at 10.7% or better. Rick replied the indications are that this rate will stand, and he is comfortable with the numbers, but the discount rates are not under control, and these discount rates will govern the final rates. The motion was called, to buy the bonds, to be guaranteed by Zion's Bank, provided the figures prove out, The votes were as follows:

PROPOSAL FROM
ZION'S BANK TO
BUY BACK FmHA
BONDS

Dan Yes, George Yes, Neal No. MOTION CARRIED by

majority. Neal stated that for the record, he was not opposed to the concept of paying off the bond early, he was not comfortable with the time frame, and would have liked more time to think over the buy-out, and receive some public input. BUY-BACK OF FmHA BONDS (cor

Dan moved a public hearing to make the raise of ten cents per thousand above the minimum and the resolution authorizing the buyout be noticed for May 18, 1988 at the District office. George seconded. MOTION CARRIED. RATE INCREASE

Pierson reported that Jim McGann lives on Maynard Road, about 900' from the present line. He will need a 2" line allow for friction loss. To serve more than one customer in that area would require a 4" line. It would cost Jim 2,000.00 to hook up to the water, \$1,000.00 to install the line and \$1,000.00 for line installation. If we put in a 4" line, then anyone else would have to pay him \$500.00 to hook onto that line. The Board agreed by consensus to put in the 4" line. JIM McGANN CONNECTION

The following bills were presented:

BILLS

FmHA	\$ 53,336.00
City of Moab	2,147.52
Moab Ready-Mix	119.13
S.E. Utah Health Lab	30.00
Brig's Hardware	16.16
Cole Noyes Plumbing	160.00
U.S. Postmaster	50.00
GCWCD	8,860.99
Sandy Norton	200.00
Safety Supply & Sign	37.74
Cozzens Construction	362.00
Bureau of Drinking Water	17.28
U.S. Postmaster (May Billing)	

George moved to pay the bills. Dan seconded.

The meeting adjourned at 8:35 P.M.

ADJOURNMENT

ATTEST:

Neal Dalton
Neal Dalton, Clerk

Darwin Gilger
Darwin Gilger, Chairman