Wilson Arch Water and Sewer Special Service District
Notice of Public Hearing
District's Impact Fee, 6 pm MST, April 25, 2023
Moab Public Library, 257 E. Center St., board room
Agenda

I. Call to order — Eric says "Lets start meeting. It is 6:00 PM. I will pull up the agenda (to share on screen)

II. Roll Call / Quorum — Eric. "We have a quorum, all administrative board present". Present are all board members: Craig Simpson, Doug Gorman, Eric Linscheid. Others present: Carl and Karri Pederson, Terri Bourquin (representing Phil Glaze), Dawn Howe (not a land owner)

III. Approval of March 28, 2023 minutes — Eric: "Is there a motion to approve the minutes. Craig: I make a motion to approve March 28, 2023 minutes. Eric, "is there a second". Craig: "I'll second that". Eric, "All in favor", Craig "aye", Doug "aye".

IV. Administrative Board presents Parameter Resolution no. 005.2023 and Master Resolution pertaining to Water Revenue Bond.

Eric: "we're onto number 4, board presents parameter resolution Parameter resolution no 005.2023 and, um, master pertaining to water revenue bond. What I'm going to do before opening the opening meeting I want to make sure everybody has the context, the overall picture, and share a new screen and some notes that were put together. So, hopefully this will make sense."
Eric shares screen. "Is that visible? Craig: "Yes".
Eric: "Please just bear with me, its about 2 pages, but its important to make sure to cover all of this stuff as its important that all of this stuff is covered in terms of all the criteria we need to follow from the division of drinking water in order to do this correctly"

Eric reads the shared screen:

"PURPOSE OF PUBLIC HEARING

- On March 28,2023 the SSD administrative board approved the Parameters Resolution authorizing the issuance of Water Revenue Bonds in connection therewith for the purpose of defraying the cost of improvements to the culinary water system of Wilson Arch Water and Sewer Special Service District. The SSD sent notice on April 8th calling for a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the construction of the Project.

- I’m just going to go over the parameter resolution quickly, if you haven’t read it. So this is the resolution

Shown on screen: The PARAMETER RESOLUTION

WILSON ARCH WATER AND SEWER SPECIAL SERVICE DISTRICT RESOLUTION 005.2023

Eric reads

“A RESOLUTION AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF WATER REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $775,000 (THE "BONDS") OF WILSON ARCH WATER AND SEWER SPECIAL SERVICE DISTRICT, SAN JUAN COUNTY, UTAH (THE "ISSUER"), FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE ALL OR PART OF THE COST OF CONSTRUCTING CULINARY WATER SYSTEM IMPROVEMENTS (THE "PROJECT") FOR SAID ISSUER; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED WITH RESPECT TO THE BONDS; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS. “

Eric: “And I’m going to come back to this in a minute”

Eric reads:

“THE FINDINGS

On November 1, 2022, the Drinking Water Board (hereinafter called the "Board") authorized a loan of $1,138,000, with $569,000 in principal forgiveness, for a net repayable amount of $569,000 for 30 years at 0% interest to Wilson Arch Water and Sewer Special Service District (hereinafter called the "Recipient") to replace and add new water lines (approximately 10,000 feet of water line will be replaced. Much of that pipe is for fire lines.), water meters, a booster pump, and new 30,000-gallon storage tank (hereinafter called the “Project”), and connecting the east-west side for redundancy.

Eric adds: “Work could begin as early as late summer.”

“The loan from the Board will be secured by General Obligation bond(s), Non-voted Water Revenue bond(s), or a combination thereof; issued by the Recipient as incremental disbursement bond(s) (hereinafter referred to as Bonds) disbursed on a monthly or quarterly basis. The Board

has determined the retirement period for the Bonds to be no more than **thirty (30) years**, with interest payable on the unpaid principal from the date of each advance of loan funds. The annual **Interest Rate is 0%.** The Board will require annual principal payments on the Bonds, plus interest assessments totaling approximately $19,000.00. If a revenue bond is used, a debt service reserve fund equal to this annual amount must be established by no more than ten equal annual deposits.

Principal forgiveness will be applied to the loan. Net repayable amount will be deposited into the escrow account mentioned in item 2 along with other funds after completion and signing of a principal forgiveness agreement at bond closing and completion of bonding requirements for the loan.

Eric: “so here is the last part, I don’t know how many people have been in the construction business, but one of the things that happens sometimes, is whatever Sunrise is going to put out bids for a quote, then were getting get bids this summer and bids get opened in Oct, so what this says so as to be transparent, which is the same as being realistic, o the bid going out to this summer construction could stat as early a august, we don’t know if the bid will come in under, at or over the engineering quote. So it depends on the year, so like something’s all come over the in engineering firm gave, and so that actually goes back to the parameter bond, so when they put in the 775, the reason is that is done if it does come in over and more money needed to get secured, its better to go ahead and have secured a higher amount so you don’t have to go through this entire process again. That was done on the recommendation of the engineering firm, the bond attorney, and the DDW. So that’s just kinda of boiler plate of how bonds are done. So the last paragraph says (Eric reads from the shared screen) “If the bids are over, there are two options: eliminate something on the project, or ask the State for more $. If we ask the state for more $, it is possible the bond total amount may increase. We simply have to be ready for this. Currently, lot owners are paying $29.25/month to increase the reserve account for repairs and emergencies. That $29.25 will be moved over from the reserve budget to pay for the debt service of $569,000 at 0% interest for 30 years., as the reserve will be fully funded. If, worst case scenario, the bond were to increase to $750,000, that would add $9.32 / month, or $38.58, or $112 per year (per lot owner”)”

Eric adds:

“So With that, I wanted to make sure everyone had background since this is a public hearing and you have questions, this may help you formulate sone questions. With that I’m going back to the agenda (show agenda screen).”

“Here is the public hearing it is 6:08 PM, we will open the public hearing at 6:08. It says each participant has 3 minutes. A new house bill was recorded so please site your name, your residence, and on a digital meeting, if you have a camera that actually should be on. So the public meeting is now open.”

V. Public Hearing

A. Open Public Hearing for Parameter Resolution no. 005.2023 and Master Resolution

- each participant has three minutes

Public hearing opened at 6:08 PM

Terri Bourquin: “This is Terri Bourquin, I don’t have any questions at this time. Thank you.”

Eric: “Thank you Terri” Eric waits 14 seconds, “anyone else”

No other comments received either orally or in writing via the email sent out April 8, and again on April 18.

B. Close public hearing for Parameter Resolution no. 005.2023 and Master Resolution

Eric “If everyone is good, then at 6:10, we can close the public meeting, and were onto #6, administrative road discussion of public comments. Well there are no public comments I guess.”

VI. Administrative Board discussion of public comments

A. Discussion on Parameter Resolution no. 005.2023 and Master Resolution

No discussion

B. Call for action on Parameter Resolution no. 005.2023 and Master Resolution

Eric: On part B we don’t really need to call for action as this is a public hearing and we actually took care of that on March 25, so I’ll just give, I guess that’s it'

Any board comments.

VI. Board comments

Craig: “just a few comments, with regards to the propensity of this money to increase based on contractors and things of that nature, its kinda like when you build a house now they alway cover 10 to cost which cover fuel, and anything that might go over, the one thing I want to make sure to everyone here is I’be expressed my concern with going over the original amount, I know there’s always emergencies of that nature. We’ll take a look a t the entire contract and figure out what might need to be cut out to keep the cost down, and work that problem through additional grants. My first recommendation was to put a delay on the meters because we have until 2030,. We already put 2 in. There could potentially be a few more that are outside this contract and we work the meter problem later on. The state says we have to do it by 2030, so in my mind there should be some sort of grit the state provides to meet that requirement. My recommendation to the board members is to keep this close to the original amount. The primary concern fire flow and redundancy, and as long as we get that in with fire hydrants and increase size of the water mains and connect the two systems and add storage, We’ll meet the fire requirement. Then we will have redundancy in the system. That’s all I’ve got.”

Eric: Doug, any comments?

Doug: “No, I just agree with with what Craig said there, we have fiduciary responsibility to keep the cost down as much as possible, I think the whole thing will, I’m sure we’ll have to change things as we go, it’s going to be a process. I think we need to have the extra money just in case, and I just agree with what you said its going to be a pretty small cost to lot owner if we have to increase the amount.”

Eric :”Well, thank you. I concur with both Craig and Doug, I think the board is all going in the same direction that we want to do this as responsibly as we can.

Terri: “on that note, I do have a question in regards to other resources that you have possible looked at or considered for assistance.?”

Eric: do we have others?

Terri, yes, have you looked into others, besides the bond, HOA, home owners, are there any other sources you have considered looked at for funding.

Craig: Yes,, there are a couple, the CIP fund the county has. We are looking to getting on the board to put our name in the hat if you will to get CIP funds. Those are funds the county collects for the oil platforms and drilling. There are all grants from the state to put meters in. Right now we get a lot of the grant information the state approves sent to us from the audio office and our layers office, we look through those to see if we can utilize. The only two now are the grant for the water meter and the CIP funds to the county. That’s it for now.”

Terri: “Ok, thank you.”

Eric, “an add onto that, there is a lot on the table right now, and most of our job is going to be done in the next couple weeks, and then it will be turned over to the engineering firm, then we’ll have more time to go after these other grants.”

Terri: “I’m sure that’s true. That’s a good plan.”

VII. Adjourn:

Eric: “with that, if there are no other comments we can adjourn. Let’s make a motion to adjourn.”

Craig: “I’ll make a motion to adjourn, Eric, I’ll second. All in favor? Doug I agree to adjourn.”

Eric: “thanks everyone for showing up".

Topic: Wilson Arch Water and Sewer Special Service District Bond Public Hearing Time: Apr 25, 2023 06:00 PM Mountain Time (US and Canada)

Join Zoom Meeting https://us02web.zoom.us/j/83627276894?pwd=ZzVLcGpORXFCV0VETjFiditJRFpPdz09

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NOTE:

To be transparent, bids are going out this summer, and construction could start as early as August.

We won't know if the bids will come in under, at or over the engineering quote.

If the bids are over, there are two options: eliminate something on the project, or ask the State for more $. If we ask the state for more $, it is possible the bond total amount may increase. We simply have to be ready for this. Currently, lot owners are paying $29.25/month to increase the reserve account for repairs and emergencies. That $29.25 will be moved over from the reserve budget to pay for the debt service of $569,000 at 0% interest for 30 years., as the reserve will be fully funded. If, worst case scenario, the bond were to increase to $750,000, that would add $9.32 / month, or $38.58, or $112 per year.