

**MINUTES OF THE WASATCH COUNTY COUNCIL
ACTING AS
THE GOVERNING BOARD OF THE JORDANELLE
SPECIAL SERVICE DISTRICT
AUGUST 3, 2017**

PRESENT: Board Chair Mike Petersen
Board Member Steve Farrell
Board Member Greg McPhie
Board Member Spencer Park
Board Member Danny Goode
Board Member Mark Nelson
Board Member Kendall Crittenden

OTHERS PRESENT: On list attached to a supplemental file.

STAFF: Eliza McGaha, District Clerk
Kierstan Smith, Financial Officer
Dana Kohler, Accounting Clerk
Ron Phillips, General Manager
Rick Tatton, Doing Minutes
Max Covey, Assistant General Manager
Wade Webster, Plant Treatment Manager

EXCUSED: Theresa Baronek, District Clerk

Board Chair Mike Petersen called the meeting to order at 4:47 p.m. and excused Theresa Baronek, District Clerk, and welcomed those present and called the first agenda item.

REGULAR SESSION

APPROVAL OF THE MINUTES OF JULY 6, 2017

Board Member Danny Goode made a motion to approve as written the minutes of July 6, 2017. Board Member Greg McPhie seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Greg McPhie
AYE: Board Member Danny Goode
AYE: Board Member Kendall Crittenden**

AYE: Board Member Mark Nelson

NAY: None.

WARRANT LIST APPROVAL

Board Member Greg McPhie made a motion to approve the warrants in the amount of \$437,714.87. Board Member Steve Farrell seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen

AYE: Board Member Mark Nelson

AYE: Board Member Kendall Crittenden

AYE: Board Member Steve Farrell

AYE: Board Member Spencer Park

AYE: Board Member Greg McPhie

AYE: Board Member Danny Goode

NAY: None.

RATIFY PURCHASE AND SALE AGREEMENT FOR AREA C PROPERTY

Ron Phillips, the General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the Jordanelle Special Service District and the bondholders have received an offer to purchase the Area C property. The revised contract PSA was ready last week and was sent to you on July 19, by email. The bondholders were insisting that the contract be signed last week so, after review by the Jordanelle Special Service District attorneys, I signed the contract after receiving approval by email by a majority of the Board members. The action that is being asked for is ratification of the signing of the contract which is to ratify the signing of the contract to sell the Area C property to the purchaser that was approved by the bondholders.

Board Member Greg McPhie made a motion that we approve and ratify the purchase and sale agreement for the Area C property as presented. Board Member Steve Farrell seconded the motion and the motion carries with the following vote:

AYE: Board Chair Mike Petersen

AYE: Board Member Spencer Park

AYE: Board Member Steve Farrell

AYE: Board Member Mark Nelson

AYE: Board Member Danny Goode

AYE: Board Member Greg McPhie

AYE: Board Member Kendall

Crittenden

NAY: None.

Mr. Dave Cummings indicated to the Governing Board of the Jordanelle Special Service District that this sale includes some of his property and just wanted the Governing Board to know that. Ron Phillips, the General Manager, indicated that this matter will be discussed tonight in a Closed Session.

ACTION ON WATER TREATMENT PLANT FUNDING AGREEMENT

Ron Phillip, the General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the Jordanelle Special Service District has been working with the two developers in Hideout who need a new water source for their developments. After discussions it has been determined that the proposed water treatment plant planned below the Jordanelle Reservoir Dam is the best project to meet these developers' needs and Jordanelle Special Service District's needs. Also the reasons for this are; (1) It will allow Jordanelle Special Service District to access the water rights it owns in Jordanelle Reservoir. (2) The necessary water line to feed Jordanelle Special Service District customers can be placed in the BOR/CUWCD easement off the west side of the dam simultaneously with the sewer trunk line. (3) There is no controversy over accessing the Victory Ranch wells in the immediate future.

Ron also indicated that this agreement will allow the developers to fund the initial infrastructure for the treatment plant by paying their water impact fees in advance and the funds for the treatment plant itself will be paid at the time of building permits or closing on lots sold.

Ron then indicated that the staff's recommendation is for approval.

Board Member Kendall Crittenden made a motion that we approve the water treatment plant signing agreement as presented and authorize the General Manager to move ahead with this. Board Member Spencer Park seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Mike Petersen
AYE: Board Member Spencer Park
AYE: Board Member Mark Nelson
AYE: Board Member Kendall Crittenden
AYE: Board Member Greg McPhie
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode**

NAY: None.

ACTION ON JOVID HOTEL DEVELOPMENT AGREEMENT

Ron Phillips, the General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the development agreement details the requirements of the Jovid Hotel development in order for the Jordanelle Special Service District to provide water and wastewater services to the development. The recommendation of the staff is for approval.

Board Member Greg McPhie made a motion to approve the Jovid Hotel Development Agreement as presented. Board Member Steve Farrell seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Mike Petersen
AYE: Board Member Mark Nelson
AYE: Board Member Spencer Park
AYE: Board Member Greg McPhie
AYE: Board Member Danny Goode
AYE: Board Member Kendall Crittenden
AYE: Board Member Steve Farrell**

NAY: None.

CONSIDERATION OF THE ADOPTION OF A LEASE PURCHASE AGREEMENT IN THE AMOUNT OF \$392,000 TO FINANCE THE PURCHASE OF A SEWER VAC TRUCK.

Max Covey, the Assistant General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the purchase of a new vac truck is in the Jordanelle Special Service District's budget for this year. We have received bids from two companies and have chosen a 2017 Vactor 2100, on a Freightliner chassis demo vac truck from Legacy Equipment. Also Jon Brunson with Zions Public Finance has assisted us in financing the purchase through Zions Bank. We are paying \$50,800 down that we have budgeted this year and are financing the \$341,000 difference through a lease-purchase agreement as shown on the attached debt service schedule. The old truck is 15 years old and is beginning to show signs of wear. Also we believe that we will be able to sell the old truck for \$70,000-100,000 dollars.

Board Member Spencer Park made a motion that we adopt the lease purchase agreement in the amount of \$392,000 for the finance and purchase of a sewer vac truck. Board Member Steve Farrell seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Mike Petersen
AYE: Board Member Steve Farrell
AYE: Board Member Spencer Park
AYE: Board Member Greg McPhie
AYE: Board Member Danny Goode**

Crittenden

AYE: Board Member Kendall

AYE: Board member Mark Nelson

NAY: None.

QUARTERLY FINANCIAL REPORT

Kierstan Smith, Financial Officer, addressed the Governing Board of the Jordanelle Special Service District and indicated that the total liabilities, deferred inflows of resources and net position is current year to date, \$179,253, 516.34 and June 30, 2016 was \$190,878,122.25. The revenues are \$5,773,729.08 and the expenses are \$3,854,686.68. Also Kierstan Smith indicated that the Jordanelle Special Service District is in good shape and improving each day.

GENERAL MANAGER'S REPORT

VEHICLE PURCHASES

Max Covey, the Assistant General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that Jordanelle has purchased three half ton, two three-quarter tons and the purchases were split between Labrums and Karl Malone and they were bid and the bids came in where everybody got a little bit of revenue. The vehicles that we have had are being sold and the retail values of these vehicles added together were right around \$75,000.00. There is one more vehicle that needs to be sold and after that vehicle is sold Jordanelle Special Service District will net right around \$76,000.00. Also in two more years all the old vehicles will be gone.

WATTS SMART PROGRAM

Max Covey, the Assistant General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the Watts Smart Program is finished installing the LED lights. On August 15, 2017 Jordanelle Special Service District will enter into a 90 day monitoring period where the power consumption will be monitored and then receive the incentive check. This project will save the district \$7,000 to \$8,000 a year in expense. The project cost \$18,000 and a \$8,000 rebate and Jordanelle Special Service District will save \$7,000 a year so within two years the district will be paid back.

MIDA DEER CREST PROPERTY

Ron Phillips, the General Manager, addressed the Governing Board of the Jordanelle Special Service District and indicated that the property that we have under contract to sell, the

potential buyer asked for a sixty day extension on a due diligence which I approved so we are looking probably at early October unless there is another extension that is requested.

Board Member Steve Farrell made a motion to leave our regular session and go into a Closed Session to discuss pending litigation. Board Member Greg McPhie seconded the motion and the motion carries with the following vote:

**AYE: Board Chair Mike Petersen
AYE: Board Member Greg McPhie
AYE: Board Member Mark Nelson
AYE: Board Member Kendall Crittenden
AYE: Board Member Spencer Park
AYE: Board Member Steve Farrell
AYE: Board Member Danny Goode**

NAY: None.