

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 At 6:00 PM
Present: Carl and Karri Pederson, Terri Bourquin (representing Phil Glaze), Dawn Howe (not a land owner)
- II. Roll Call / Quorum All administrative board present:
Craig Simpson, Doug Gorman, Eric Linscheid
- III. Approval of March 28, 2023 minutes Craig 1st, Doug 2ed, all favored
- IV. Administrative Board presents Parameter Resolution no. 005.2023 and Master Resolution pertaining to Water Revenue Bond

Admin Board Presents big picture regarding bond. See **Purpose of Public Hearing** at bottom.
This was displayed via Zoom and read out loud

- 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: I have no questions at this time.
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
Public hearing closed at 6:10 PM

- 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: NO NEED TO CALL TO ACTION AS PARAMETER BOND
ALREADY APPROVED.

VI. Board comments

Craig: mentioned that the bond amount of \$750,000 in the Parameter bond is similar to adding 10% to the cost of building a house. He expressed concern to not going over the \$569,000 bond amount. We (the admin board) will look at the entire contract and what can get cut to keep costs down. An example is to put a delay on the meters until 2030 and to ask for grants to cover the meters. Primary concern was fire flow and redundancy of systems by connecting the east and west side.

Doug commented the admin board had a judiciary responsibility to keep costs down.

Eric agreed with both board members.

Craig said we could look at other funding from CIP county funds and other State funds in answer to Terri's question of other funding sources.

VII. Adjourn:

Craig makes motion, Eric 2ed. All in favor. Adjourn at 6:17 PM

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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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

The PARAMETER RESOLUTION

WILSON ARCH WATER AND SEWER SPECIAL SERVICE DISTRICT RESOLUTION 005.2023

**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.

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.

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.

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.