

**NOTICE AND AGENDA**  
**OF THE GOVERNING BOARD OF THE JORDANELLE SPECIAL SERVICE DISTRICT**  
Thursday, October 01, 2015 4:30 P.M.  
Wasatch County Administration Building, 25 North Main, Heber City, Utah

---

\*Order of agenda items subject to change

**Regular Session:**

1. Approval of Minutes
2. Warrant List Approval
3. 2014 Audit Report - Squire & Company
4. Gravity Holdings Lease
5. Daly West Update
6. 2009 Water & Sewer Rate Increase
7. Office consolidation
8. General Manager's report
9. Other business

**Executive Session:**

- Litigation update and/or personnel as needed

**Jordanelle Special Service District Board Meeting**  
Water Reclamation Facility, 5780 North Old Highway 40, Heber City, Utah  
Thursday, September 03, 2015, 5:00 PM

PRESENT:           Greg McPhie           Board Member  
                  Kendall Crittenden   Board Member  
                  Mike Kohler           Board Chair  
                  Mike Petersen        Board Vice-chair  
                  Steve Farrell         Board Member

EXCUSED:           Danny Goode           Board Member  
                  Kipp Bangerter       Board Member

ALSO PRESENT:    Ron Phillips           General Manager  
                  Eliza McGaha         Treasurer  
                  Kierstan Smith       Financial Officer  
                  Theresa Baronek      District Clerk  
                  Shane Paddock       Water Treatment Supervisor  
                  Lee Kapaloski        General Counsel

**AGENDA:**

- Approval of minutes
- Warrant list approval
- General Manager's employment agreement
- Daly West update
- Review of updated impact fee schedule
- Approval of Water & Sewer Master Plan
- Review July financials
- Sale of truck bed
- Office consolidation
- General Manager's report
- Other business

**EXECUTIVE SESSION:**

- Litigation update/personnel as needed

Mike Kohler opened the meeting at 5:25 p.m.

**Approval of minutes:**

**MOTION:** A motion to approve the minutes of August 13, 2015 was made by Kendall Crittenden. The motion was seconded by Mike Petersen and carried with the following vote:

**AYE: Greg McPhie**  
**AYE: Kendall Crittenden**  
**AYE: Mike Kohler**  
**AYE: Mike Petersen**  
**AYE: Steve Farrell**

**NAY: None**

**Warrant list approval:**

**MOTION:** A motion to approve the warrants was made by Greg McPhie. The motion was seconded by Mike Petersen and carried with the following vote:

**AYE:** Greg McPhie  
**AYE:** Kendall Crittenden  
**AYE:** Mike Kohler  
**AYE:** Mike Petersen  
**AYE:** Steve Farrell

**NAY:** None

**General Manager's employment agreement:**

Lee Kapaloski said there needs to be a minor edit on section 12 of the employment agreement.

**MOTION:** A motion to authorize the Chair to sign the General Manager employment agreement as of 08/24/2015 was made by Steve Farrell. The motion was seconded by Greg McPhie and carried with the following vote:

**AYE:** Greg McPhie  
**AYE:** Kendall Crittenden  
**AYE:** Mike Kohler  
**AYE:** Mike Petersen  
**AYE:** Steve Farrell

**NAY:** None

**Daly West update:**

Ron Phillips gave an update on the Daly West repair project. Lee Kapaloski commented that we need to have a structural engineer evaluate the headworks to see if it can be salvaged or if it even makes sense to put it back up. The headworks needs to be removed from the ski run and onto JSSD property to await review by a structural engineer.

**Review of updated impact fee schedule:**

An email from Keith Larsen was sent to explain the changes to the impact fee schedule (see attachment).

**Approval of Water & Sewer Master Plan:**

**MOTION:** A motion to approve the Water & Sewer Master Plan as presented was made by Mike Petersen. The motion was seconded by Kendall Crittenden and carried with the following vote:

**AYE:** Greg McPhie  
**AYE:** Kendall Crittenden  
**AYE:** Mike Kohler  
**AYE:** Mike Petersen  
**AYE:** Steve Farrell

**NAY:** None

**Review July financials:**

Kierstan Smith presented a review of the July financials.

**Sale of truck bed:**

Ron Phillips explained that the district has some truck beds that are not in use that could be sold; there is a potential buyer for one of them.

Lee Kapaloski exited the meeting at 5:36 p.m.

Mr. Phillips continued to explain that the district can sell things for less than \$1,000 dollars without having to advertise. There is an offer of \$500 dollars for one of the truck beds.

**MOTION: A motion to approve the sale of the truck bed for \$500 dollars was made by Kendall Crittenden. The motion was seconded by Greg McPhie and carried with the following vote:**

**AYE: Greg McPhie**

**AYE: Kendall Crittenden**

**AYE: Mike Kohler**

**AYE: Mike Petersen**

**AYE: Steve Farrell**

**NAY: None**

**Office consolidation:**

Mr. Phillips gave an update on the office consolidation. We are working on an estimate of utilities in the Water Reclamation Facility if it was unoccupied. He is going to talk to the Zions Bank manager to see what they are going to do with the old Zions Bank building. The options are being explored at this point.

**General Manager's report:**

Mr. Phillips gave the manager's report. Crews have been replacing six sewer manholes in the district. Photos were displayed of the corrosion of the old manholes and the new manholes with polymer construction. For this project, we are exchanging work with a developer to use his track hoe that is larger than our backhoe, and in exchange we will replace a hydrant for the developer.

The Victory Ranch Acquisitions lawsuit has been dismissed.

A pump in the mine has gone out and will be replaced.

Mike Kozakowski, seated among the public, stated his appreciation of the letter that was sent out in the billing explaining the rate increase. Mr. Kosakowski also stated that the Fire District said they can restart the community fire council and he asked the district to join that group because JSSD is crucial to them being safe from fires. He said he would be in contact regarding this issue.

Mr. Phillips said we are looking into establishing development review costs. We would have to hire an engineer to do development reviews in-house. There used to be a county fund to cover costs for development reviews and it was suggested to possibly use that model for JSSD.

It was asked if we had a contract with Darrel Scow to be a water consultant. Mr. Phillips said Mr. Scow will send a draft letter of engagement and he will be paid as a consultant at an hourly rate.

Mr. Phillips stated that Doug Scow, a JSSD employee, has the water rights issues well at hand and he does the reporting and reapplications. Doug has been asked to write a job description of what he does. Mr. Phillips said he is impressed.

Mike Kohler said he would like to get the water right applications and quantities online. Steve Farrell replied that water rights are confidential and putting them online could be opening the issue for litigation. It was decided that water rights and water reservation agreements are different and we could put the water reservation agreements online without identifying the requesters and without certain sensitive information. Mr. Phillips said Doug Scow has a spreadsheet based on word-of-mouth and not based on documentation; however, we are working on verifying the information in that spreadsheet with documentation.

**Other business:**

There was no other business discussed.

**EXECUTIVE SESSION:**

- Litigation update/personnel as needed

There was no executive session held.

**MOTION: A motion to adjourn was made by Greg McPhie. The motion was seconded by Kendall Crittenden and carried with the following vote:**

**AYE: Greg McPhie**

**AYE: Kendall Crittenden**

**AYE: Mike Kohler**

**AYE: Mike Petersen**

**AYE: Steve Farrell**

**NAY: None**

The meeting adjourned at 6:11 p.m.

**Ron Phillips**

---

**From:** Keith Larson [klarson@bowencollins.com]  
**Sent:** Thursday, September 03, 2015 10:04 AM  
**To:** Ron Phillips  
**Subject:** RE: Impact fee update

Ron,

Here is my report on status of the impact fees:

1. Sewer Impact Fees - Based on comments received, there are no changes to the sewer impact fees for either JSSD or North Village. Those are ready to be adopted as they currently stand.
2. JSSD Water Impact Fee Facility Plan – Comments received have resulted in two changes:
  - a. Removal of one small pump station project that has already been completed. This will result in a very small decrease in the fees for all areas.
  - b. Separation of Area C into its own service area. This will result in a decrease (or elimination) of the fee in Area C and potentially a small increase in the fees for other areas.
3. NVSSD Water Impact Fee Facility Plan – Comments received have resulted in one change:
  - a. Carryover of a credit for transmission facilities paid to other water infrastructure for bonded users. This will result in a small decrease in fees for bonded users and a small increase in fees for unbonded users.
4. Impact Fee Analyses – I met with Matt Millis of Zions Bank yesterday to discuss these changes and finalize the IFFP revisions. He will be incorporating these changes into the IFAs over the next week or so.

I hope to have an estimate of the revised fees over to you before your meeting tonight. Time to complete the documentation and have it available for noticing and publication is approximately 1 week. The one item in the District's court that I have still not seen is a proposed resolution. I am hoping work is continuing on that concurrently with what we are doing. A proposed schedule would be as follows:

- Complete revised IFFPs, IFAs, and final resolution: September 10
- Place notice and post documents: September 10
- 14 day noticing period: September 10 – September 24
- Public hearing and adoption: September 24

This represents the most aggressive schedule possible. I'm not sure if you regularly meet on September 24. An alternative would be to push back everything one week as follows:

- Complete revised IFFPs, IFAs, and final resolution: September 17
- Place notice and post documents: September 17
- 14 day noticing period: September 17 – October 1
- Public hearing and adoption: October 1

I'll be back in touch with revised numbers. Let me know if there is anything else you need.

Keith

Keith J. Larson, P.E.

---

**Bowen Collins & Associates**  
801.495.2224 Office

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Only paid invoices included.
- Invoice.Batch = {<>} "99"

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
<b>341-PRAXAIR DISTRIBUTION</b>						
49569	341-PRAXAIR DISTRIBUTION	SUPPLIES FOR MINE	08/27/2015	179.65	179.65	09/29/2015
Total 341-PRAXAIR DISTRIBUTION:				179.65	179.65	
<b>ALL WEST</b>						
15574	ALL WEST	PHONES/MINE	09/01/2015	160.89	160.89	09/29/2015
15574	ALL WEST	PHONE	09/01/2015	48.69	48.69	09/29/2015
15574	ALL WEST	PHONES/MINE	09/01/2015	244.30	244.30	09/29/2015
15574	ALL WEST	PHONES/WTP	09/01/2015	320.97	320.97	09/29/2015
15574	ALL WEST	PHONES/SHOP	09/01/2015	107.04	107.04	09/29/2015
15574	ALL WEST	PHONE/MINE	09/01/2015	48.19	48.19	09/29/2015
Total ALL WEST:				930.08	930.08	
<b>AT&amp;T</b>						
9500	AT&T	PHONES/LONG DISTANCE	09/09/2015	46.45	46.45	09/29/2015
Total AT&T:				46.45	46.45	
<b>BANKCARD CENTER</b>						
15618	BANKCARD CENTER	KNEADERS OF HEBER 888-399-1960 UT	09/14/2015	261.04	261.04	09/29/2015
Total BANKCARD CENTER:				261.04	261.04	
<b>BLUE STAKES OF UTAH</b>						
15578	BLUE STAKES OF UTAH	BLUE STAKES	08/31/2015	99.83	99.83	09/29/2015
15578	BLUE STAKES OF UTAH	BLUE STAKES	08/31/2015	99.83	99.83	09/29/2015
Total BLUE STAKES OF UTAH:				199.66	199.66	
<b>BOWEN COLLINS &amp; ASSOCIATES</b>						
11530	BOWEN COLLINS & ASSOCIATE	GENERAL SERVICES	09/01/2015	405.25	405.25	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	GENERAL SERVICES	09/01/2015	405.25	405.25	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	DEVELOPMENT REVIEW - VICTORY RANCH	09/01/2015	281.75	281.75	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	DEVELOPMENT REVIEW - VICTORY RANCH	09/01/2015	281.75	281.75	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	DEVELOPMENT REVIEW - DEER PARK VILLAGE	09/01/2015	355.50	355.50	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	DEVELOPMENT REVIEW - DEER PARK VILLAGE	09/01/2015	355.50	355.50	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	ONGOING MOBILE GIS	09/01/2015	79.35	79.35	09/29/2015
11530	BOWEN COLLINS & ASSOCIATE	ONGOING MOBILE GIS	09/01/2015	79.35	79.35	09/29/2015
Total BOWEN COLLINS & ASSOCIATES:				2,243.70	2,243.70	
<b>CALLISTER NEBEKER &amp; MCCULLOUGH</b>						
15606	CALLISTER NEBEKER & MCCU	LEGAL FEES- COLLECTIONS	09/11/2015	350.00	350.00	09/29/2015
15606	CALLISTER NEBEKER & MCCU	LEGAL FEES- COLLECTIONS	09/11/2015	400.00	400.00	09/29/2015
Total CALLISTER NEBEKER & MCCULLOUGH:				750.00	750.00	
<b>CASH</b>						
15617	CASH	PETTY CASH/WATER RIGHT FILING FEE	06/29/2015	50.00	50.00	09/03/2015

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total CASH:				50.00	50.00	
<b>CENTURYLINK</b>						
49595	CENTURYLINK	435-654-6396 349B (PHONE LINES @ WRF)	08/28/2015	224.76	224.76	09/29/2015
49595	CENTURYLINK	435-615-2046 794B	08/25/2015	138.72	138.72	09/29/2015
Total CENTURYLINK:				363.48	363.48	
<b>CHEMTECH-FORD INC</b>						
12350	CHEMTECH-FORD INC	WATER ANALYSIS - VARIOUS LOCATIONS	09/18/2015	140.00	140.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS - DEER MOUNTAIN WELL	09/02/2015	21.00	21.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS - TREATMENT PLANT	09/18/2015	21.00	21.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS - VICTORY RANCH WELL	09/02/2015	21.00	21.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS - WOLF CREEK WELL	09/02/2015	21.00	21.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS TUHAYE WELL PH	09/15/2015	21.00	21.00	09/29/2015
12350	CHEMTECH-FORD INC	WATER ANALYSIS - POND DISCHARGE	09/17/2015	35.00	35.00	09/29/2015
Total CHEMTECH-FORD INC:				280.00	280.00	
<b>COALVILLE REPAIR</b>						
15611	COALVILLE REPAIR	INSPECTION OF LARGE VEHICLES	05/13/2015	95.00	95.00	09/29/2015
Total COALVILLE REPAIR:				95.00	95.00	
<b>CODALE ELECTRIC SUPPLY</b>						
13100	CODALE ELECTRIC SUPPLY	SUPPLIES FOR REPAIR AT WTP	08/19/2015	114.35	114.35	09/03/2015
Total CODALE ELECTRIC SUPPLY:				114.35	114.35	
<b>COLONIAL LIFE</b>						
13250	COLONIAL LIFE	HEALTH INSURANCE PAYABLE	09/20/2015	48.14	48.14	09/29/2015
Total COLONIAL LIFE:				48.14	48.14	
<b>D.P. CURTIS TRUCKING</b>						
15593	D.P. CURTIS TRUCKING	DELIVER LIME	08/03/2015	1,208.14	1,208.14	09/29/2015
15593	D.P. CURTIS TRUCKING	DELIVER LIME	09/16/2015	1,092.42	1,092.42	09/29/2015
15593	D.P. CURTIS TRUCKING	DELIVER LIME	09/21/2015	1,078.55	1,078.55	09/29/2015
Total D.P. CURTIS TRUCKING:				3,379.11	3,379.11	
<b>DAYS MARKET HEBER</b>						
16680	DAYS MARKET HEBER	SUPPLIES-TREATMENT PLANT	08/10/2015	53.99	53.99	09/29/2015
16680	DAYS MARKET HEBER	SUPPLIES-MINE	08/17/2015	46.66	46.66	09/29/2015
16680	DAYS MARKET HEBER	SUPPLIES-MINE	08/17/2015	46.29	46.29	09/29/2015
16680	DAYS MARKET HEBER	REFUND	08/17/2015	46.66-	46.66-	09/29/2015
16680	DAYS MARKET HEBER	SUPPLIES-TREATMENT PLANT	08/18/2015	37.70	37.70	09/29/2015
16680	DAYS MARKET HEBER	SUPPLIES-ADMINISTRATION	08/12/2015	107.19	107.19	09/29/2015
16680	DAYS MARKET HEBER	SUPPLIES-SALT FOR TREATMENT PLANT	08/18/2015	396.99	396.99	09/29/2015
Total DAYS MARKET HEBER:				642.16	642.16	
<b>DIAMOND K WASTE</b>						
17050	DIAMOND K WASTE	CONTAINER RENT	09/01/2015	62.00	62.00	09/29/2015
Total DIAMOND K WASTE:				62.00	62.00	



Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
<b>EFTPS</b>						
15567	EFTPS	PAYROLL TAXES	09/04/2015	12,733.30	12,733.30	09/03/2015
15567	EFTPS	PAYROLL TAXES	09/18/2015	13,628.45	13,628.45	09/28/2015
Total EFTPS:				26,361.75	26,361.75	
<b>ELECTRICAL WHOLESALE SUPPLY OF UTAH</b>						
15623	ELECTRICAL WHOLESALE SUP	SUPPLIES FOR REPAIR AT WTP	08/27/2015	320.12	320.12	09/03/2015
15623	ELECTRICAL WHOLESALE SUP	SUPPLIES FOR WATER TREATMENT PLANT	09/02/2015	281.96	281.96	09/03/2015
15623	ELECTRICAL WHOLESALE SUP	SUPPLIES FOR WATER TREATMENT PLANT	09/02/2015	82.88	82.88	09/03/2015
15623	ELECTRICAL WHOLESALE SUP	SUPPLIES FOR REPAIR @ WTP	09/10/2015	132.73	132.73	09/29/2015
Total ELECTRICAL WHOLESALE SUPPLY OF UTAH:				817.69	817.69	
<b>ENERGY MANAGEMENT CORPORATION</b>						
15559	ENERGY MANAGEMENT CORP	MOTOR REPAIR AND MAINTENANCE	08/31/2015	4,032.50	4,032.50	09/03/2015
Total ENERGY MANAGEMENT CORPORATION:				4,032.50	4,032.50	
<b>FREEDOM MAILING SERVICES INC</b>						
15625	FREEDOM MAILING SERVICES I	UTILITY BILLING POSTAGE & PROCESSING - J	09/01/2015	445.01	445.01	09/29/2015
15625	FREEDOM MAILING SERVICES I	UTILITY BILLING POSTAGE & PROCESSING - TC	09/01/2015	377.69	377.69	09/29/2015
15625	FREEDOM MAILING SERVICES I	UTILITY BILLING POSTAGE & PROCESSING - NV	09/01/2015	68.81	68.81	09/29/2015
15625	FREEDOM MAILING SERVICES I	UTILITY BILLING POSTAGE & PROCESSING - SL	09/01/2015	2.96	2.96	09/29/2015
15625	FREEDOM MAILING SERVICES I	EXTRA INSERTS FOR JORDANELLE	09/01/2015	10.08	10.08	09/29/2015
15625	FREEDOM MAILING SERVICES I	EXTRA INSERTS FOR NORTH VILLAGE	09/01/2015	1.26	1.26	09/29/2015
Total FREEDOM MAILING SERVICES INC:				905.81	905.81	
<b>GEOCYCLE LLC</b>						
15571	GEOCYCLE LLC	LIME SLUDGE	08/30/2015	3,968.60	3,968.60	09/29/2015
Total GEOCYCLE LLC:				3,968.60	3,968.60	
<b>GRAYMONT CAPITAL INC</b>						
21950	GRAYMONT CAPITAL INC	HIGH CALCIUM QUICKLIME	08/31/2015	5,460.84	5,460.84	09/29/2015
21950	GRAYMONT CAPITAL INC	HIGH CALCIUM QUICKLIME	09/11/2015	5,391.54	5,391.54	09/29/2015
Total GRAYMONT CAPITAL INC:				10,852.38	10,852.38	
<b>HOME DEPOT CREDIT SERVICES</b>						
15562	HOME DEPOT CREDIT SERVIC	SUPPLIES/TREATMENT PLANT	08/26/2015	52.15	52.15	09/29/2015
Total HOME DEPOT CREDIT SERVICES:				52.15	52.15	
<b>HURST STORES INC</b>						
62000	HURST STORES INC	SUPPLIES - TREATMENT	08/10/2015	53.90	53.90	09/29/2015
62000	HURST STORES INC	SUPPLIES - TREATMENT	08/24/2015	47.95	47.95	09/29/2015
62000	HURST STORES INC	SUPPLIES - DISTRIBUTION	08/27/2015	12.48	12.48	09/29/2015
62000	HURST STORES INC	SUPPLIES - DISTRIBUTION	08/27/2015	12.49	12.49	09/29/2015
Total HURST STORES INC:				126.82	126.82	
<b>I-D ELECTRIC, INC</b>						
15580	I-D ELECTRIC, INC	WRF DEWATERING BLDG-PULL CONDUCTOR/TROUB	09/21/2015	110.25	110.25	09/29/2015
15580	I-D ELECTRIC, INC	WRF DEWATERING BLDG-PULL CONDUCTOR/TROUB	09/21/2015	1,264.00	1,264.00	09/29/2015

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total I-D ELECTRIC, INC:				1,374.25	1,374.25	
<b>INTERMOUNTAIN SECTION AWWA</b>						
10160	INTERMOUNTAIN SECTION AW	INTERMOUNTAIN AWWA CONF/SHANE & WADE	09/08/2015	1,048.00	1,048.00	09/29/2015
10160	INTERMOUNTAIN SECTION AW	INTERMOUNTAIN AWWA CONF/IRON	09/08/2015	524.00	524.00	09/29/2015
Total INTERMOUNTAIN SECTION AWWA:				1,572.00	1,572.00	
<b>JORDANELLE STATE PARK</b>						
15595	JORDANELLE STATE PARK	UTILITIES	09/03/2015	460.40	460.40	09/29/2015
Total JORDANELLE STATE PARK:				460.40	460.40	
<b>K &amp; K PRINTING SERVICES, INC.</b>						
44500	K & K PRINTING SERVICES, INC	BUSINESS CARDS	09/03/2015	62.50	62.50	09/29/2015
Total K & K PRINTING SERVICES, INC.:				62.50	62.50	
<b>LATIMER DO IT BEST HARDWARE</b>						
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/03/2015	4.68	4.68	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/03/2015	4.69	4.69	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/17/2015	9.28	9.28	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/17/2015	9.28	9.28	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - MINE	08/19/2015	23.97	23.97	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - MINE	08/19/2015	35.48	35.48	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/25/2015	.77	.77	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/25/2015	.77	.77	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/26/2015	19.46	19.46	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/26/2015	19.47	19.47	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/27/2015	42.54	42.54	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - DISTRIBUTION	08/27/2015	42.55	42.55	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - MINE	08/10/2015	29.97	29.97	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES/TREATMENT PLANT	08/10/2015	16.37	16.37	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES/TREATMENT PLANT	08/12/2015	79.98	79.98	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES/TREATMENT PLANT	08/25/2015	37.31	37.31	09/03/2015
46610	LATIMER DO IT BEST HARDWA	SUPPLIES - MINE	08/31/2015	179.97	179.97	09/03/2015
Total LATIMER DO IT BEST HARDWARE:				556.54	556.54	
<b>McMASTER-CARR</b>						
15551	McMASTER-CARR	SUPPLIES/TREATMENT PLANT	09/03/2015	381.32	381.32	09/29/2015
Total McMaster-CARR:				381.32	381.32	
<b>MIDWAY SANITATION DISTRICT</b>						
49044	MIDWAY SANITATION DISTRICT	SEWER BILLING	09/01/2015	14,382.57	14,382.57	09/29/2015
Total MIDWAY SANITATION DISTRICT:				14,382.57	14,382.57	
<b>MOUNTAIN VALLEY LAWN CARE</b>						
15623	MOUNTAIN VALLEY LAWN CAR	WEEKLY LAWN CARE MAINTENANCE - WTP	09/13/2015	325.00	325.00	09/29/2015
15623	MOUNTAIN VALLEY LAWN CAR	WEEKLY LAWN CARE MAINTENANCE - WRF	09/13/2015	525.00	525.00	09/29/2015
Total MOUNTAIN VALLEY LAWN CARE:				850.00	850.00	
<b>MOUNTAINLAND SUPPLY LLC</b>						
49200	MOUNTAINLAND SUPPLY LLC	SUPPLIES AREA A SEWER	09/02/2015	405.61	405.61	09/03/2015

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
49200	MOUNTAINLAND SUPPLY LLC	SUPPLIES FOR REPAIR AT WRF	09/03/2015	23.49	23.49	09/29/2015
49200	MOUNTAINLAND SUPPLY LLC	SUPPLIES FOR PRV REPAIRS	09/21/2015	55.88	55.88	09/29/2015
Total MOUNTAINLAND SUPPLY LLC:				484.98	484.98	
<b>OSBORNE'S ENGINEERING SUPPLY</b>						
15580	OSBORNE'S ENGINEERING SU	KIP SERVICE	08/26/2015	79.00	79.00	09/03/2015
Total OSBORNE'S ENGINEERING SUPPLY :				79.00	79.00	
<b>OUT BACK GRAPHICS</b>						
15601	OUT BACK GRAPHICS	CLOTHING ALLOWANCE FOR SHIRTS/HOODIES/JAC	08/16/2015	66.50	66.50	09/29/2015
Total OUT BACK GRAPHICS:				66.50	66.50	
<b>PCXPANSION COMPUTER SERVICES</b>						
15576	PCXPANSION COMPUTER SER	COMPUTER SUPPORT/MAIN WTP SCADA COMPUTE	09/01/2015	75.29	75.29	09/03/2015
Total PCXPANSION COMPUTER SERVICES:				75.29	75.29	
<b>PITNEY BOWES GLOBAL FINANCIAL SERVICES</b>						
15560	PITNEY BOWES GLOBAL FINAN	POSTAGE METER LEASE/SCHEDULE 002	09/03/2015	290.00	290.00	09/29/2015
Total PITNEY BOWES GLOBAL FINANCIAL SERVICES:				290.00	290.00	
<b>QUESTAR GAS COMPANY</b>						
49590	QUESTAR GAS COMPANY	10500 N 1420 W MAINT BLDG	09/17/2015	13.28	13.28	09/29/2015
49590	QUESTAR GAS COMPANY	5780 N OLD HWY 40	09/10/2015	70.87	70.87	09/29/2015
49590	QUESTAR GAS COMPANY	FISHER LANE KEETLEY	09/17/2015	26.07	26.07	09/29/2015
49590	QUESTAR GAS COMPANY	10500 N 1420 W HEBER	09/03/2015	515.07	515.07	09/29/2015
49590	QUESTAR GAS COMPANY	7700 MARSAC AVE	09/21/2015	401.33	401.33	09/29/2015
49590	QUESTAR GAS COMPANY	9257 N UINTA DR	09/09/2015	7.58	7.58	09/29/2015
Total QUESTAR GAS COMPANY:				1,034.20	1,034.20	
<b>RAINEY HOMES</b>						
15632	RAINEY HOMES	REFUND OF HYDRANT METER DEPOSIT BALANCE	09/24/2015	1,502.40	1,502.40	09/29/2015
15632	RAINEY HOMES	REFUND - HYDRANT WRENCH RETURNED	09/28/2015	75.00	75.00	09/29/2015
Total RAINEY HOMES:				1,577.40	1,577.40	
<b>REVCO LEASING COMPANY</b>						
15588	REVCO LEASING COMPANY	COPIER LEASE	09/15/2015	697.32	697.32	09/29/2015
Total REVCO LEASING COMPANY:				697.32	697.32	
<b>RONDALL V PHILLIPS</b>						
15635	RONDALL V PHILLIPS	PER DIEM - AWWA CONFERENCE LOGAN UT	09/14/2015	92.00	92.00	09/14/2015
Total RONDALL V PHILLIPS:				92.00	92.00	
<b>SHANE PADDOCK</b>						
50890	SHANE PADDOCK	PER DIEM - AWWA CONFERENCE LOGAN UT	09/14/2015	138.00	138.00	09/14/2015
Total SHANE PADDOCK:				138.00	138.00	
<b>SHRED MASTERS</b>						
15633	SHRED MASTERS	DOCUMENT SHREDDING SERVICE	09/08/2015	58.00	58.00	09/29/2015

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total SHRED MASTERS:				58.00	58.00	
<b>STAPLES CREDIT PLAN</b>						
15560	STAPLES CREDIT PLAN	IPAD FOR GENERAL MANAGER	08/21/2015	476.50	476.50	09/29/2015
15560	STAPLES CREDIT PLAN	DVD PLAYER FOR WTP	08/21/2015	38.19	38.19	09/29/2015
Total STAPLES CREDIT PLAN:				514.69	514.69	
<b>STATE OF UTAH GASCARD</b>						
20500	STATE OF UTAH GASCARD	FUEL FOR VEHICLES	09/04/2015	255.26	255.26	09/29/2015
20500	STATE OF UTAH GASCARD	FUEL FOR VEHICLES	09/04/2015	37.72	37.72	09/29/2015
20500	STATE OF UTAH GASCARD	FUEL FOR VEHICLES	09/04/2015	2,028.94	2,028.94	09/29/2015
20500	STATE OF UTAH GASCARD	FUEL FOR VEHICLES	09/04/2015	1,128.94	1,128.94	09/29/2015
Total STATE OF UTAH GASCARD:				3,450.86	3,450.86	
<b>THE XCAVATION COMPANY INC</b>						
15619	THE XCAVATION COMPANY INC	PROGRESS BILLING ON DALY WEST SHAFT REPAIR	08/31/2015	90,986.30	90,986.30	09/29/2015
Total THE XCAVATION COMPANY INC:				90,986.30	90,986.30	
<b>TJS REPAIR INC</b>						
15635	TJS REPAIR INC	REPAIR OF MOTOR FOR MINE	09/06/2015	260.00	260.00	09/29/2015
Total TJS REPAIR INC:				260.00	260.00	
<b>UMB BANK N.A.</b>						
15632	UMB BANK N.A.	JORDANELLE SSD SR 2009 ABC	09/18/2015	4,054.67	4,054.67	09/29/2015
Total UMB BANK N.A.:				4,054.67	4,054.67	
<b>UTAH RETIREMENT SYSTEMS</b>						
66250	UTAH RETIREMENT SYSTEMS	JSSD STATE RETIREMENT	09/03/2015	14,265.16	14,265.16	09/03/2015
66250	UTAH RETIREMENT SYSTEMS	JSSD STATE RETIREMENT	09/21/2015	14,839.77	14,839.77	09/28/2015
Total UTAH RETIREMENT SYSTEMS:				29,104.93	29,104.93	
<b>VALLEY PUMP &amp; COMPRESSOR INC.</b>						
15559	VALLEY PUMP & COMPRESSO	REPAIR/MAINTENANCE AT WTP	08/14/2015	513.62	513.62	09/03/2015
Total VALLEY PUMP & COMPRESSOR INC.:				513.62	513.62	
<b>W.E.T. INC.</b>						
15562	W.E.T. INC.	WATER TESTING	09/04/2015	700.00	700.00	09/29/2015
Total W.E.T. INC.:				700.00	700.00	
<b>WADE WEBSTER</b>						
15595	WADE WEBSTER	PER DIEM - AWWA CONFERENCE LOGAN UT	09/14/2015	92.00	92.00	09/14/2015
15595	WADE WEBSTER	MILEAGE - AWWA CONFERENCE LOGAN UT	09/14/2015	155.25	155.25	09/14/2015
Total WADE WEBSTER:				247.25	247.25	
<b>WASATCH AUTO PARTS</b>						
15604	WASATCH AUTO PARTS	TAIL LIGHT BULBS FOR WTP TRUCK	09/08/2015	6.04	6.04	09/29/2015
15604	WASATCH AUTO PARTS	MISC SUPPLIES FOR VEHICLE OIL CHANGE/MAINTE	09/24/2015	71.34	71.34	09/29/2015
15604	WASATCH AUTO PARTS	MISC SUPPLIES FOR VEHICLE OIL CHANGE/MAINTE	09/24/2015	928.66	928.66	09/29/2015

Vendor	Vendor Name	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
15604	WASATCH AUTO PARTS	AUTOMOTIVE SUPPLIES	09/23/2015	44.28	44.28	09/29/2015
Total WASATCH AUTO PARTS:				1,050.32	1,050.32	
<b>WASATCH COUNTY</b>						
74000	WASATCH COUNTY	HEALTH INSURANCE	08/31/2015	23,027.55	23,027.55	09/29/2015
Total WASATCH COUNTY:				23,027.55	23,027.55	
<b>WASATCH COUNTY SOLID WASTE</b>						
78000	WASATCH COUNTY SOLID WAS	UTILITIES	09/01/2015	75.00	75.00	09/29/2015
Total WASATCH COUNTY SOLID WASTE:				75.00	75.00	
<b>WEIDNER &amp; ASSOCIATES</b>						
15566	WEIDNER & ASSOCIATES	KEETLEY WTP REPAIR	08/27/2015	1,672.42	1,672.42	09/03/2015
Total WEIDNER & ASSOCIATES:				1,672.42	1,672.42	
<b>WOMAK MACHINE SUPPLY CO</b>						
15630	WOMAK MACHINE SUPPLY CO	GEAR MOTOR FOR VALCO UNDERGROUND DIESEL	09/10/2015	840.07	840.07	09/29/2015
15630	WOMAK MACHINE SUPPLY CO	GEAR MOTOR FOR VALCO UNDERGROUND DIESEL	09/10/2015	159.93	159.93	09/29/2015
Total WOMAK MACHINE SUPPLY CO:				1,000.00	1,000.00	
<b>ZIONS FIRST NATIONAL BANK</b>						
90001	ZIONS FIRST NATIONAL BANK	MONTHLY PMT/TRUST NUMBER 4737986	09/11/2015	18,829.47	18,829.47	09/29/2015
90001	ZIONS FIRST NATIONAL BANK	INTEREST, PRINCIPAL & FEES/TRUST NUMBER: 4737	09/16/2015	251,345.69	251,345.69	09/29/2015
Total ZIONS FIRST NATIONAL BANK:				270,175.16	270,175.16	
Grand Totals:				507,827.56	507,827.56	

Date approved: \_\_\_\_\_

JORDANELLE SSD

Board Members: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<u>Vendor</u>	<u>Vendor Name</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Net Invoice Amount</u>	<u>Amount Paid</u>	<u>Date Paid</u>
---------------	--------------------	--------------------	---------------------	---------------------------	--------------------	------------------

---

Report Criteria:

- Detail report.
  - Invoices with totals above \$0 included.
  - Only paid invoices included.
  - Invoice.Batch = {<>} "99"
-



Board of Directors  
Jordanelle Special Service District

We have audited the financial statements of Jordanelle Special Service District (the District) as of and for the year ended December 31, 2014, and related notes to the basic financial statements, and have issued our report thereon dated August 5, 2015. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 20, 2015, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We assisted in the preparation of the financial statements and the related notes disclosures and supplementary information, which is a nonattest service. This service was subject to our firm's engagement quality control review. Management designated a qualified individual to oversee this nonattest service, evaluated the adequacy and results of the service performed, and accepted responsibility for the preparation and fair presentation of the financial statements and related notes and supplementary information in accordance with accounting principles generally accepted in the United States of America.

## **Qualitative Aspects of the District's Significant Accounting Practices**

### ***Significant Accounting Policies***

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2014. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### ***Significant Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are depreciation of capital assets.

Management's estimate of the depreciation is based on the expected useful lives of assets and allocating the costs of those assets over their estimated useful lives using the straight-line method. We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements as a whole and in relation to the applicable opinion units.

### ***Financial Statement Disclosures***

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to special assessment receivable in Note 7, long-term debt in Note 8, related party transactions in Note 13, and foreclosed properties in Note 15.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are clearly inconsequential, and communicate them to the appropriate level of management.

We identified no misstatements as a result of our audit procedures that were material, either individually or in the aggregate, to the financial statements as a whole.



### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in management's written representation letter dated August 5, 2015.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Jordanelle Special Service District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

*Equire & Company, PC*

Orem, Utah  
August 5, 2015

Attachments:

Summary audit adjustments and reclassifications

Client: **7424 - Jordanelle Special Service District**  
 Engagement: **2014 Audit**  
 Period Ending: **12/31/2014**  
 Trial Balance: **TB - Local Governments Trial Balance**  
 Workpaper: **AJE - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To adjust accrual to actual as of EOY				
70000	INTEREST EXPENSE		6,303,036.00	
23500	ACCRUED INTEREST PAYABLE			6,303,036.00
<b>Total</b>			<b>6,303,036.00</b>	<b>6,303,036.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To accrued credit memos				
15000	PREPAID EXPENSES		16,797.00	
52002	SUPPLIES- WATER PLANT			16,797.00
<b>Total</b>			<b>16,797.00</b>	<b>16,797.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To accrue SCADA reimbursemetn due to SLSSD				
51001	EQUIPMENT- REPAIRS AND MAINT.		363.00	
25550	PAYABLE-OTHER GOV'T UNIT			363.00
<b>Total</b>			<b>363.00</b>	<b>363.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
Relclassify Tuhaye assessments				
38700	Tuhaye Bond Revenue		1,649.00	
37000	INTEREST REVENUE			1,649.00
<b>Total</b>			<b>1,649.00</b>	<b>1,649.00</b>

## **Outline of Prospective Lease Provisions between Jordanelle Special Services District and Gravity Holdings, LLC**

### **1.0 Definition of Parties**

Jordanelle Special Services District (JSSD) of Summit-Wasatch County, Utah and Gravity Holdings, LLC (Gravity Holdings) of Park City, Utah are the parties considering this lease agreement. JSSD is referred to herein as the lessor and Gravity Holdings is referred to herein as the lessee.

### **2.0 Definition of Property**

The real property of interest is described as Parcel Number PC-S-46-B-2-X, herein referred to as the property.

### **3.0 Purpose**

The parties have a mutual interest in an arrangement wherein Gravity Holdings leases the property from JSSD for the purposes of developing and operating a family-oriented tourist attraction.

### **4.0 Key Lease Provisions**

#### 4.1 Duration

The duration of the lease shall be 40 years, and shall be renewable in 5 year increments up to a total duration of 50 years. Gravity Holdings shall have the first right of refusal for any subsequent to the 50 year lease period.

#### 4.2 Lease Type

The lease will be a "land lease" wherein the JSSD retains ownership of the property and assumes ownership of Gravity Holdings capital improvements at the end of the lease. During the lease Gravity Holdings owns the capital improvements and uses the property at its discretion subject to applicable terms and regulatory constraints.

The lease will be an unsubordinated lease wherein Gravity Holdings cannot use JSSD's property as loan collateral.

The lease will be transferrable in the event of an ownership change by either party.

#### 4.3 Lease Price

The lease payment shall be \$2,187.00 monthly for the duration of the 30 year lease, or \$26,250 annually. If renewed, the revised lease rate shall not exceed that computed by applying the Consumer Price Index to the original lease rate. The lease payment shall also include 5% of the annual profit paid annually and determined by an independent auditor engaged by Gravity Holdings.

#### 4.4 Lease Payment

Lease payment shall be due the first working day of each calendar month. Lease payments will begin when contingencies have been satisfactorily resolved and construction has been completed to the point that commercial operations have started. The 5% share of profits shall be paid annually within 30 days of completion of the independent annual audit.

#### 4.5 Allowable Uses

Gravity Holdings may use the property, presuming proper permitting, for the purposes of tourism and family entertainment, inclusive of operating a retail gift shop offering souvenirs, non-alcoholic beverages, and snack food items. Sales of third party consigned items, e.g. art, carvings, clothing, photographs, sculptures, are permitted.

Gravity Holdings is permitted to use the approach to Ontario Drain Tunnel #1 as part of the tourist attraction as long as it does not interfere with JSSD access. Anticipated use of the mine approach includes: the use of existing rails for an exhibit that can be removed in several minutes without the use of tools, and the installation of an easily removable “manifold” to enable the use of mine exhaust air flow to improve the efficiency of cooling/heating buildings.

Gravity Holdings may use the property to support the operations of the tourism business, to include office work and related construction/landscaping/maintenance/repair/snow removal operations. Storage of gift shop inventory and equipment/supplies associated with construction/landscaping/maintenance/repair/snow removal operations are permitted, inclusive of storing modest fuel/lubricant volumes.

Food preparation facilities are not anticipated, however Gravity Holding may enter into agreements with third party “food truck” vendors for on-site food vending if such an offering appears to be attractive to patrons.

#### 4.6 Prohibited Uses

Gravity Holdings may not use the property for: agriculture, food/beverage services other than those identified as allowable, manufacturing, mining/mineral extraction, retail operations other than those identified as allowable, or residential purposes. Gravity Holdings is not permitted to use Ontario Drain Tunnel #1 beyond the steel safety door.

#### 4.7 Tunnel Access

JSSD shall retain full access and use rights for Ontario Drain Tunnel #1. To the extent practical JSSD will minimize the impact of mine access/use on Gravity Holdings’ operations. In the event that JSSD operations related to Ontario Drain Tunnel #1 are likely to temporarily impact Gravity Holdings operations and/or present a potential safety hazard to Gravity Holdings employees/patrons JSSD shall provide sufficient notification to allow Gravity Holdings to suspend operations to minimize financial impact.

JSSD is not otherwise permitted to use the property without the written consent of Gravity Holdings.

#### 4.8 Capital Improvements

At their expense, Gravity Holdings will make capital improvements on the property, consistent with the previously identified allowed use and subject to applicable permits, related to the development and operations of a tourism/entertainment facility. For the duration of the lease

agreement Gravity Holdings will own the capital improvements and be responsible for all associated costs including property taxes and local assessments applicable to the leasehold improvements, exclusive of property taxes and local assessments applicable to land owners.

At the end of the lease the capital improvements, except those that embody Gravity Holdings trade secrets and proprietary information, will convey to JSSD at no cost. Gravity Holdings will dismantle and remove the exhibits associated with the “mystery house” at its expense to prevent reverse engineering by third parties.

#### 4.9 Access Control

Gravity Holdings may erect fences and walls to control access to their facilities for the purposes of: managing patron flow, ensuring public safety, and providing physical security. Gravity Holdings will provide JSSD with keys and/or access codes to ensure 24 hour access to Ontario Drain Tunnel #1.

JSSD will restrict public access to Ontario Drain Tunnel #1 via maintenance of the high security steel safety door.

#### 4.10 Daly-West Headframe

Gravity Holdings will consider the possibility of repairing, relocating, and erecting the historic Daly-West headframe on the property. Such considerations will presume that the under-taking is affordable, can be accomplished safely, and that a reasonable cost-sharing arrangement involving ~~JSSD~~, Park City, and Gravity Holdings can be achieved.

## 5.0 Contingencies

Gravity Holdings is entering into lease negotiations in good faith with the intention of signing a lease agreement, however there are several unknowns which must be satisfactorily resolved before Gravity Holdings can enter into a lease. Gravity Holdings and JSSD will need to work together to resolve these items, with Gravity Holding responsible for paying ~~most of~~ the cost associated with the activities summarized below.

### 5.1 Title Search and Land Survey

Gravity Holdings will secure a third party title search and land survey to confirm that there are no historical conflicts with the property ownership and/or property lines. As the property owner, JSSD may have to be involved in securing these services at no cost to JSSD. Additionally JSSD will need to provide access to the Ontario Drain Tunnel #1 for the purpose of marking the tunnel's course under the property.

### 5.2 Mine Safety

Gravity Holdings intends to operate a tourist attraction on the property and needs to know that the tunnel is safely compatible with anticipated capital improvements and operational activities. Gravity Holdings will depend upon JSSD to provide adequate mine inspections under the property to confirm that it is nominally safe "as is". Gravity Holdings will secure the necessary engineering reviews of capital improvement plans to verify that the construction and operation of the capital improvements are compatible with maintaining mine safety. As the property owner, JSSD may have to be involved in these activities and ~~would will~~ do so ~~at no expense to without charging~~ Gravity Holdings for JSSD staff time.

Gravity Holdings does not currently anticipate making any investment in improving/reinforcing the tunnel to make it compatible with the intended use.

### 5.3 Environmental Survey & Remediation Plans

The history of the site suggests a high likelihood of environmental issues, most likely heavy metal contamination. Gravity Holdings will secure an environmental survey consistent with the intention of remediating the property to make it fit for the intended purpose. As the property owner, JSSD may have to be involved in securing these services, but will not be required to share the cost.

Once the environmental survey results are available Gravity Holdings will develop an environmental remediation plan to bring the property up to the standard appropriate for the intended purpose. Establishing an affordable remediation plan that is acceptable to the appropriate regulatory agencies is a necessary condition for Gravity Holding to sign a lease for the property.

### 5.4 Zoning

The property is currently zoned "Historical Residential", this zoning is unlikely to be compatible with Gravity Holdings stated purpose for leasing the property. Gravity Holding will prepare the appropriate materials to apply for a zoning change or waiver to allow Gravity Holding to use the

property as intended. As the property owner, JSSD may have to be involved in these activities and would do so at no expense to Gravity Holdings.

Additionally, as we learn more it may be practical to seek a zoning change or conditional use permit simply because the property has never been used for residential purposes and is not suitable for such due to the on-going requirement for access to Ontario Drain Tunnel #1.

Securing appropriate zoning is a necessary condition for Gravity Holding to sign a lease for the property.

### 5.5 Permits

Gravity Holdings will develop the drawings and rendering necessary to apply for the permits necessary to construct the intended structures. The historical nature of the site potentially complicates this process with architectural reviews/approvals and it is difficult to know a-priori if we can balance affordability, desired functionality, desired aesthetics, and historical accuracy to the satisfaction of city administrators. As the property owner, JSSD may have to be involved in these activities and ~~would will~~ do so ~~at no expense to~~ without charging Gravity Holdings for JSSD staff time.

Securing applicable permits to allow construction of the intended structures is a necessary condition for Gravity Holdings to sign a lease for the property.

## **Lease Price Rationale**

### Comments and Observations

- A land lease is an appropriate instrument for a lessee to secure long term use of a property that is not for sale.
- A land lease is an appropriate instrument for a start-up operation with a desire to control up-front capital costs and cash flows.
- A “land-lease” is a low-risk proposition for the landowner/lessor; the lessor retains ownership of the property while they earn steady rental revenue and the value of their property increases due to lessee’s investment. At the end, the lessor owns the property and the capital improvements.
- As envisioned in this land lease scenario, the lessor is insulated from market-risk, operations and maintenance burdens except for those associated with the tunnel itself, the cost of improvements, and management burden.
- The land lease “rental rate” is commonly expressed as a fraction of the land value. For example, if a property value is \$100,000 and the land lease rental rate is 5%, the annual rent would be \$5000.
- A land lease functions more like an interest rate instrument than a traditional real estate discount rate vehicle. It is appropriate to view the land lease more like a certificate of deposit rather than comparing relative IRRs across alternative real estate investments. This is particularly true in a situation where the lessor does not really have investment alternatives.
  - US Treasury 30 year bond yields are currently hovering around 3%.
- Inflation is currently nearly zero, with correspondingly low interest rates for loans, and the US Federal reserve has reliably demonstrated fiscal policy to contain inflation. The contemporary, relatively modest Federal Reserve inflation rate target of 2% been underrun for several years in spite of significantly increase federal borrowing. Over the last few years inflation has been remarkably low averaging 2.07% in 2012, 1.47% in 2013, 1.62% in 2014, and about 0.01% so far in 2015. Arguments are numerous but many suggest that deflationary pressures remain strong world-wide.
- During the low inflation periods of the 1950s, average inflation of 1.82%, and the 1960s, average inflation of 2.45%, land lease rates were typically in the range of 5%. Inflation is lower now than it was then, and land lease rates should be correspondingly lower as well.
- The expected rental rate of an unsubordinated lease agreement is lower than the expected rental rate of a subordinated lease agreement with all other factors being equal because the lessors risk is substantially reduced. The difference is nominally a few percentage points to adjust the risk-reward equation.
- The expected rental rate of a relatively short term land lease is lower than the expected rental rate of a longer term land lease. Shorter land leases favor the lessor because the lessor can take possession of the lessee funded capital improvements sooner. Longer land lease favors the lessee as they have a longer period to payoff and benefit from their capital investment. The proposed 30 year base with subsequent 10 year renewals up to 50 years is short by land



lease standards. Land lease base periods are typically 50 years or more, and extendable to 99 years.

- The Marsac Avenue property has been idle for at least 50 years; it is currently generating no revenue and is arguably a liability in many respects. Any rent revenue would be upside to the lessor's "expected value". And, the capital improvements made by the lessee also represent upside value beyond the lessor's "expected value".
- The likelihood of other prospective lessees making unsolicited inquiries about JSSD's Marsac Avenue is seemingly very modest.
  - The Marsac Avenue is not "on the market" and is not easily "discovered".
  - Most business ventures, whether it is economically rational or not, prefer to fully control their means of revenue/profit production via ownership. Land lease transactions are much less common than land sales transactions, and land lease transactions historically tend to cluster in: Hawaii, densely urbanized downtown areas (i.e. Manhattan, NY and San Francisco, CA), strip commercial sites along major traffic arteries, and in Silicon Valley for R&D centers.
  - The Marsac Avenue property has limited general appeal due to the constraints imposed by having to retain the historically relevant features on the property.
  - The Marsac Avenue property has limited general appeal due to the potential, but unknown, environmental hazards both at the site and adjacent to the site. Heavy metal contamination requiring remediation is expected on site, and the adjacent Ontario Mill property is potentially a "ticking time-bomb" relative to environmental issues. We understand that the EPA was concerned enough to conduct surveys of the Ontario Mill site. Although the EPA results have not yet been released it is conceivable that the site could become a superfund site in spite of the local political and financial implications. Given the recent environmental incident in Silverton, Colorado, wherein contaminated mine waste was dumped into the Animas River, it appears that the political climate will likely tend toward disclosure and remediation as opposed to the EPA's historical posture of silence and inaction in regard to the thousands of contaminated mine sites across the country. (This is not a statement of preference, rather a statement of expectation.)
  - The Marsac Avenue property has limited general appeal due to the need to preserve access to Ontario Drain Tunnel #1 and provide JSSD with access on an as needed basis.
  - The bureaucratic and financial burdens associated with making the Marsac Avenue property "fit for purpose" are significant across the spectrum of potential uses.
  - In some respects the Marsac Avenue property may be viewed as "impaired" as a fungible asset.
- The "value" of something that is not for sale is difficult to establish. Our assessment, including a realtor's valuation, placed the value of the Marsac Avenue lot in the \$600K to \$1M range. This range likely has more downside than upside due to the fact that the lot is not for sale, the lack of general appeal, and the specter of environmental contamination. For the purpose of proposing a land lease rent we are using \$750,000 as a nominal value.

- Gravity Holdings anticipates investing in the neighborhood of \$500,000 in capital improvements on the Marsac Avenue lot, virtually all within the first year. The investments will go toward: preparing materials for necessary permits, environmental surveys and remediation, construction of a parking lot, utility installation, construction of a historically representative façade along the existing foundation, construction of an ADA compliant gift shop with bathrooms, construction of a “mystery house” and associated exhibits, construction of a patio, and construction of fences to secure the property. The improvements, with the exception of the proprietary mystery house exhibits, convey to the lessor at the end of the lease.

#### Financial Analysis

- A traditional 30 year mortgage for a \$750,000 property fully financed at an interest rate of 5% would have a monthly payment of approximately \$4000 per month, or about \$48,000 per year. (At the end of 30 years the property title would transfer from the mortgage holder to the buyer; unlike the land lease scenario where the property remains with the lessor at the end of the lease.)
- Given a \$750,000 property, the monthly payment for a 5% land lease rate is approximately \$3,125, or \$37,500 annually. (A 5% land lease rate is historically relevant for inflation levels in the 2% range.)
- Gravity Holdings proposes to discount the land lease rate to 3.5% to reflect: the short lease period, the limited general appeal of the Marsac Avenue lot, the risk of emergent environmental issues, and the effort required to secure the wide range of approvals necessary to adapt the property for the intended purpose. Given a \$750,000 property, the monthly payment for 3.5% land lease rate is approximately \$2,187, or \$26,250 annually. The sum of the monthly payments over 40 years is **\$1,050,000**.
- The future value of Gravity Holdings \$500,000 investment after 39 years, given that the investment occurs in the first year of the 40 year lease, is **\$1,600,000** using an inflation assumption consistent with the 3% rate for a 30 year US Treasury bond. In the postulated land lease scenario the capital improvements will accrue to JSSD at the end of the lease. One might assert that the capital improvements are unique to the Gravity Holdings mystery house attraction; this is true of the approximately \$25,000 cost of the mystery house itself but the rest of the investment would be useful for a wide range of activities.

#### Bottom Line

The proposed Marsac Avenue land lease is a win-win-win scenario for JSSD, Gravity Holdings, and the Park City/Summit County/Utah communities.

#### JSSD Benefits

- While maintaining ownership and preserving the full mission functionality of the Marsac Avenue property, JSSD will generate **\$1,050,000** of revenue over the base lease period, while increasing the value of the property by **\$1,600,000**. A **total economic upside of \$2,650,000** represents a dramatic upside to maintaining the status quo wherein the Marsac Avenue property would generate no revenue.

- JSSD will generate good will with Park City based upon their involvement in transforming a historically significant but unattractive, potential liability into a visually appealing reminder of Park City's mining history with economic benefit to the community.

#### Gravity Holdings Benefits

- Gravity Holdings secures the long term use of an otherwise unavailable **location that is exceptionally well suited to the intended purpose** without bearing extraordinary up-front capital expense. As a start-up venture improved up-front cash flow will **materially improve Gravity Holdings likelihood of becoming financially successful.**
- Gravity Holding believes that the history and mining aesthetic of the Marsac Avenue lot are worth the added effort and cost associated with adapting the property to the intended purpose at the proposed land lease position.
- Gravity Holdings will also generate good will with Park City based upon their involvement in transforming a historically significant but unattractive, potential liability into a visually appealing reminder of Park City's mining history with economic benefit to the community.

#### Community Benefits

- The Park City/Summit County/Utah communities will benefit aesthetically from the transformation of the Marsac Avenue property from a borderline eyesore to an attractive reminder of Park City's mining history.
- The Park City/Summit County/Utah communities will benefit from the Gravity Holdings investment in the Marsac Avenue property; most of the investment dollars will be spent locally on goods and services.
- The Park City/Summit County/Utah communities will benefit from the creation of employment opportunities at the Gravity Holdings business.
- The Park City/Summit County/Utah communities will benefit from the income tax revenues generated by the Gravity Holdings business.
- The Park City/Summit County/Utah families will benefit from the addition of affordable, family-oriented entertainment in Park City.

# Jordanelle Special Service District

## RESOLUTION NO. 2009-17

### A RESOLUTION AMENDING WATER RATE RESOLUTION 2003-12 BY ADOPTING A NEW FEE SCHEDULE FOR WATER SERVICES PROVIDED BY THE DISTRICT; AND RELATED MATTERS.

WHEREAS, Jordanelle Special Service District charges water rates for customers within its service area;  
and

WHEREAS, the water rate charged for culinary, reservation and irrigation water has not been increased in more than ten (10) years; and

WHEREAS, estimates indicate that costs to treat and deliver water have increased in excess of 3% per year for the past ten years; and

WHEREAS, in order to balance the budget and to fairly charge customers for the reasonable costs necessary to deliver service, the Jordanelle Special Service District desires to increase rates charged for water service as shown on the attached schedule; and

WHEREAS, a public hearing was duly noticed and held on October 13, 2009 to discuss the proposed rate increase; and

WHEREAS, the Administrative Control Board has determined that it is in the best interest of the District to raise water rates as shown on the attached schedule;

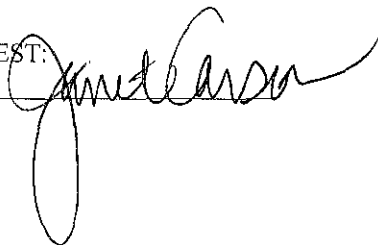
NOW, THEREFORE, the Board hereby resolves as follows:

**RESOLUTION 2003-12 (WATER RATE RESOLUTION) IS HEREBY AMENDED AND WATER RATES ARE ADJUSTED AS SHOWN ON THE ATTACHED RATE SCHEDULE. ALL OTHER PROVISIONS OF RESOLUTION 2003-12 NOT IN CONFLICT WITH THIS AMENDMENT SHALL REMAIN IN FULL FORCE AND EFFECT. THE NEW RATE SHALL APPLY TO BILLINGS MAILED AFTER DECEMBER 1, 2009.**

This Resolution shall take immediate effect upon signing.

DATED this 13<sup>th</sup> day of October, 2009.

ATTEST:



ADMINISTRATIVE CONTROL BOARD OF  
JORDANELLE/SPECIAL SERVICE DISTRICT

  
Chairman

# **Jordanelle Special Service District**

## **WATER RATE RESOLUTION**

**RESOLUTION NO. 2003 - 12**

**AN ORDINANCE SETTING FORTH WATER RATES TO BE CHARGED TO ALL USERS OF THE JORDANELLE SPECIAL SERVICE DISTRICT WATER SYSTEM, PROVIDING CERTAIN PROHIBITIONS , AND RELATED MATTERS.**

**WHEREAS, the Jordanelle Special Service District was created in part to provide water service to the area serviced by the District; and**

**WHEREAS, the governing board of the Jordanelle Special Service District deems it necessary for the health, safety, convenience, and general welfare of the property owners in the Jordanelle Special Service District to further provide for and regulate culinary water supply and any appurtenant systems of distribution owned and operated by the District;**

**NOW THEREFORE, BE IT RESOLVED BY THE ADMINISTRATIVE CONTROL BOARD OF THE JORDANELLE SPECIAL SERVICE DISTRICT:**

### **SECTION 1. TITLE.**

This Resolution shall be entitled "The Jordanelle Special Service District Water Rate Resolution 2003-12."

### **SECTION 2. PURPOSE**

The purpose of this resolution shall be to set rates for the use of culinary, irrigation, snow-making and other uses of water and the reservation of capacity in the Jordanelle Water System in an amount to generate sufficient annual revenue to pay all costs of construction, operation and maintenance of the water system. The rate shall consist of a base volume for each water meter, plus additional charges for culinary water used in excess of the base volume. Charges for hook-up fees, inspection fees, reservation (or standby) fees, access fees and other charges are also included.

### **SECTION 3. WATER REQUIRED PER EQUIVALENT RESIDENTIAL UNIT.**

The standard amount of water required for each Equivalent Residential Unit in the Jordanelle Special Service District shall be .9 acre feet annually. This standard shall apply unless

a specific engineering study shows, to the satisfaction of the Administrative Control Board, that either more or less water is required for the specific use proposed, because of outside watering requirements, water re-use, or other factors. The availability of the required water shall be evidenced by a executed subscription agreement signed by the property owner prior to final approval of the subdivision plat.

#### **SECTION 4. DETERMINING THE TOTAL ANNUAL COST OF OPERATION AND MAINTENANCE.**

The Administrative Control Board of the Jordanelle Special Service District shall determine the total annual costs of operation and maintenance of the Water System which are necessary to maintain the capacity and performance, during the service life of the waterworks, for which such works were designed and constructed. The total annual cost of operation and maintenance shall include, but need not be limited to, labor, repairs, equipment replacement, maintenance, necessary modifications, power, sampling, laboratory testing, and a reasonable contingency fund.

#### **SECTION 5. MEASURING EACH USER'S MONTHLY CULINARY WATER USAGE.**

The Jordanelle Special Service District shall install and maintain water meters for each connection to the Water System. The cost of the meter(s) shall be paid for by the property owner at the time of connection to the Water System. District personnel may read the meters at convenient and necessary times during the year to determine the appropriate charge. Maintenance and operation of the Water System lines and meters shall be the responsibility of the District. Maintenance and repair of the service lateral from the meter to the property shall be the responsibility of the property owner.

Meter boxes shall be installed as per Jordanelle Special Service District Standards. The cost of relocating or upgrading meter boxes to meet JSSD standards shall be borne by the property owner.

**NO PERSON SHALL ALTER, REMOVE, BYPASS, DESTROY OR OTHERWISE INTERFERE WITH THE OPERATION OF ANY JORDANELLE SPECIAL SERVICE DISTRICT EQUIPMENT OR FACILITY.** Damaging District facilities, including but not limited to meters and meter boxes is a crime under Utah State law and shall be turned over to appropriate authorities for prosecution.

#### **SECTION 6. REVIEW OF FEES AND CHARGES.**

The Jordanelle Special Service District shall periodically, but not less often than annually, review the total annual cost of operation and maintenance as well as each fee and charge applied to users of the Water System and will revise the rate ordinance as necessary to assure equity of the fees and charges and to assure that sufficient funds are obtained to adequately operate and

maintain the Water System.

**SECTION 7. NOTIFICATION.**

Each user will be notified, in conjunction with a regular bill, about the rate applicable to their water usage.

**SECTION 8. RATE SCHEDULE.**

The water rate schedule is based upon meter size with an additional charge for water used in excess of the standard usage. Each connection is allocated 10,000 gallons per month as part of the Base Price.

Meter Size	Base Price per Month	Excess water charge (over 10,000 gallons per month)
1" or less	\$32.19	\$2.37 per 1000 gallons
1 ½"	\$38.83	\$2.37 per 1000 gallons
2"	\$62.58	\$2.37 per 1000 gallons
4"	\$302.08	\$2.37 per 1000 gallons
6"	\$453.13	\$2.37 per 1000 gallons

Each meter connection to the Water System shall pay the base rate applicable to the meter size plus \$2.37 per 1000 for water used through the meter in excess of 10,000 gallons per month.

**SECTION 9. NEW SERVICE CONNECTION FEES, INSPECTION CHARGES.**

Properties not included the construction bonds for a particular portion of the Water System shall be billed a new-service connection fee or impact fee prior to the issuance of a will-serve letter or connection to the System, in an amount equal to the proportionate share of the cost of the construction of the System or any improvements to the System necessitated by the new connections. The New Service Connection Fee or Impact Fee shall be set by Resolution, following the completion of applicable studies and other requirements of the law.

New service connection fees shall be collected by the Jordanelle Special Service District prior to connection to Water System facilities and/or prior to issuance of a will-serve letter for the purpose of securing approval of the new subdivision or portion thereof.

A \$250.00 inspection fee shall be charged for each water meter connection. This fee is to cover the cost of inspection of the lateral connection by JSSD, and the setting of the meter.

**LATERAL CONNECTIONS MAY NOT BE MADE TO THE JSSD SYSTEM WITHOUT THE PRIOR CONSENT AND INSPECTION BY JSSD. IMPROPER OR UNINSPECTED CONNECTIONS MAY BE DISCONNECTED BY JSSD WITHOUT PRIOR NOTICE. RE-CONNECTION SHALL BE SUBJECT TO THE \$500 RE-CONNECTION FEE SET FORTH IN THIS RESOLUTION.**

The cost of the water meter shall be paid by the property owner at or prior to the time of connection. The District shall retain ownership of the water meter.

#### **SECTION 10. RESERVATION OR STANDBY FEES.**

In order to provide revenue necessary to maintain and operate the Water System, each Equivalent Residential Unit shall pay a water reservation fee and a standby fee until actual connection to the Water System. The Reservation or Standby fee shall consist of two parts:

Annual raw water reservation fee: \$325.60 per Acre Foot

Monthly standby fee: \$ 10.00 per ERU

The annual raw water reservation fee is required to insure that sufficient water rights exist to provide water at the time of connection. In the event a water reservation fee which is due and payable pursuant to this section remains unpaid past the grace period of 30 days, it shall be considered not current. Failure to keep the reservation fee current for three consecutive months shall result in automatic forfeiture of the water right for that ERU. The water right may be reinstated by JSSD based upon availability and payment of past reservation fees, plus appropriate penalties and interest. JSSD shall not reserve and retain water rights for property owners who are not staying current with the fee obligations. In such case, it shall be the property owner's responsibility to bring sufficient water rights and actual water, in both quantity and quality, to the District if water service is to be provided. Any such water rights and actual water must be approved by the District, and meet District guidelines for acceptable water rights.

The monthly standby fee is required to provide revenue for maintenance and operation of the Water System and other District functions. In the event a monthly standby fee which is due and payable pursuant to this section remains unpaid past the grace period of 30 days, it shall be considered not current. Failure to pay the monthly standby fee for three consecutive months shall result in forfeiture of the water right and right to connect for that ERU. Prior to actual connection, past due standby fees, along with applicable penalties and interest, must be brought current.

#### **SECTION 11. IRRIGATION WATER RATES.**

The District has adopted an Irrigation Well Policy, which prohibits private irrigation



wells and allows for District irrigation wells in very limited circumstances. The Irrigation Well Policy shall apply to any irrigation well drilled within the District boundaries. Water delivered through an irrigation well shall be metered. Weekly meter readings shall be provided to the District by the property owner. The property owner shall be billed for irrigation water delivered from an irrigation well at the rate of \$325.60 per Acre Foot. Irrigation water delivered through the culinary system shall be metered, and shall pay the standard culinary rate as set forth herein.

#### **SECTION 12. BACKFLOW PREVENTION DEVICES REQUIRED.**

The District has adopted a Backflow Prevention Policy which shall apply to all connections to the District Water System. Failure to install and adequately maintain required Backflow Prevention devices shall result in termination of service. The District shall inspect, or cause to be inspected, at least annually, all backflow prevention devices within the District. A nominal fee to cover the cost of the annual inspections may be charged by the District.

#### **SECTION 13. PAYMENT OF ALL FEES AND CHARGES PRIOR TO ACTUAL CONNECTION TO THE WATER SYSTEM.**

All new service connection fees, reservation or standby fees, inspection fees and other fees and charges due and payable to the District must be paid in full prior to actual connection to the Water System.

#### **SECTION 14. LATE FEES AND INTEREST.**

Unless otherwise specifically provided for in this Resolution, fees and charges under this Resolution are due and payable within 30 days of billing. A 5 day grace period shall be allowed after the due date. Payments on fees and charges received during the grace period shall not be subject to additional late fees or interest. Payments received after the grace period shall be charged a 5% late fee for each month in which the payment is not received. An interest charge of 1.5% per month shall be added to all fees or charges more than 35 days past due. Payments received shall be first applied to any interest, late fees and delinquent fees and charges on that account.

#### **SECTION 15. TERMINATION OF SERVICE FOR VIOLATION OR NON-PAYMENT.**

In addition to all available remedies in law or in equity, the Jordanelle Special Service District may, at its discretion, terminate service for violation of any of the rules and regulations of the District, or for non-payment of fees or charges. Connections that have been terminated may be reconnected upon correction of the violation giving rise to the termination, and upon payment of a \$500.00 re-connection fee.

**SECTION 16. EFFECTIVE DATE.**

The rates and regulations set forth in this Resolution shall be effective October 1, 2003 and will continue in full force and effect until changed by subsequent resolution or ordinance.

RESOLVED this \_\_\_\_ day September, 2003.

ADMINISTRATIVE CONTROL BOARD  
JORDANELLE SPECIAL SERVICE DISTRICT.

\_\_\_\_\_  
CHAIRMAN

ATTEST:  
  
\_\_\_\_\_

WATER RATES SCHEDULE  
(ADOPTED OCTOBER 13, 2009)

Meter Size	Base Price Per Month	Excess Water Charge (over 10,000 gallons per month)
1" or less	\$37.01	\$3.50 per 1000 gallons
1½"	\$44.65	\$3.50 per 1000 gallons
2"	\$71.96	\$3.50 per 1000 gallons
4"	\$347.39	\$3.50 per 1000 gallons
6"	\$521.09	\$3.50 per 1000 gallons

**Reservation Fees**

Annual Raw Water Reservation Fee      \$358.16 per acre foot

# Jordanelle Special Service District

## RESOLUTION NO. 2009-18

### A RESOLUTION AMENDING SEWER RATE RESOLUTION 2001-16a BY ADOPTING A NEW FEE SCHEDULE FOR SEWER SERVICES PROVIDED BY THE DISTRICT; AND RELATED MATTERS.

**WHEREAS**, Jordanelle Special Service District charges sewer rates for customers within its service area; and

**WHEREAS**, the sewer rate charged for sewer treatment and collection services has not been increased in more than ten (10) years; and

**WHEREAS**, estimates indicate that costs to collect and treat wastewater have increased in excess of 3% per year for the past ten years; and

**WHEREAS**, in order to balance the budget and to fairly charge customers for the reasonable costs necessary to deliver service, the Jordanelle Special Service District desires to increase rates charged for sewer service as shown on the attached schedule; and

**WHEREAS**, a public hearing was duly noticed and held on October 13, 2009 to discuss the proposed rate increase; and

**WHEREAS**, the Administrative Control Board has determined that it is in the best interest of the District to raise sewer rates as shown on the attached schedule;

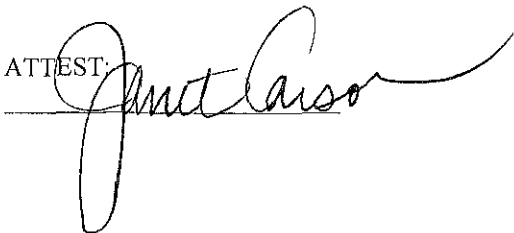
**NOW, THEREFORE**, the Board hereby resolves as follows:

**RESOLUTION 2001-16a (SEWER CHARGE SYSTEM RESOLUTION) IS HEREBY AMENDED AND SEWER RATES ARE ADJUSTED AS SHOWN ON THE ATTACHED RATE SCHEDULE. ALL OTHER PROVISIONS OF RESOLUTION 2001-16a NOT IN CONFLICT WITH THIS AMENDMENT SHALL REMAIN IN FULL FORCE AND EFFECT. THE NEW RATE SHALL APPLY TO BILLINGS MAILED AFTER DECEMBER 1, 2009.**

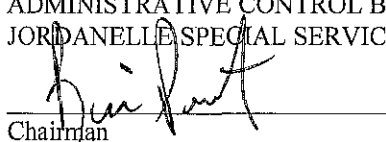
This Resolution shall take immediate effect upon signing.

DATED this 13<sup>th</sup> day of October, 2009.

ATTEST:



ADMINISTRATIVE CONTROL BOARD OF  
JORDANELLE SPECIAL SERVICE DISTRICT

  
Chairman

SEWER RATE SCHEDULE  
(ADOPTED OCTOBER 13, 2009)

\$26.00 PER ERU PER MONTH