

**MINUTES FOR REGULAR COMMISSION MEETING HELD JANUARY 11, 2010
BEGINNING AT 1:00 P.M. IN THE COMMISSION BOARD ROOM IN DUCHESNE,
UTAH**

Present

Commission Chairman Kent R. Peatross, Commissioner Kirk J. Wood, Commissioner Ronald Winterton, Clerk Auditor Diane Freston, Uintah Basin Medical Center CFO Brent Hales, and Commission Assistant BobbiJo Bailey taking minutes of the meeting.

Opening Comments

Chairman Peatross gave the prayer. There were no other comments.

Pledge of Allegiance

Any wishing to participate.

Tax Adjustments – Assessor

The commission reviewed the attached tax adjustments presented by Auditor Freston. *Commissioner Wood motioned to approve the tax adjustments as recommended by the Assessor's Office. Commissioner Winterton seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of Payment Vouchers

The commission reviewed vouchers #112630 through #112713 dated January 11, 2010 in the amount of one hundred forty six thousand four hundred seven dollars and seventy nine cents (\$146,407.79). *Commissioner Winterton motioned to approve the vouchers presented by Auditor Freston. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of A Business License Application For Grant Heating And Air Cooling Systems, Inc.

Chief Deputy Clerk JoAnn Evans joined the meeting at 1:13 P.M...

Deputy Clerk Evans stated that this applicant has obtained the required licenses from the State of Utah. *Commissioner Winterton motioned to approve the application as presented. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of A Business License Application For Wolverine Transportation Inc.

Deputy Clerk Evans stated that this applicant has the appropriate insurance required. *Commissioner Winterton motioned to approve the application as presented. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.*

Public Hearing --

Commissioner Wood motioned to go in and out of Public Hearing at 1:15 P.M. Commissioner Winterton seconded the motion. All commissioners voted aye and the motion passed.

A Public Hearing To Receive Input Regarding The Proposal That Duchesne County, Utah Issue Its Hospital Development Bonds (Uintah Basin Medical Center Project) In The Aggregate Principal Amount Of Not To Exceed \$25,000,000.00 (The "Bonds") And Use The Proceeds Thereof To (i) Finance The Acquisition, Construction, Improvement And/Or Equipping Of Various Medical Facilities And Related Improvements Located Within The County And To Be Owned And Used By Uintah Basin Medical Center, Inc. And (ii) To Refund Certain Of The County's Outstanding Bonds

Deputy County Attorney Jonathan Stearmer joined the meeting at 1:23 P.M...

Mr. Hales stated that we, as the hospital, have found need to refinance bonds that were issued through the Municipal Building Authority (MBA) in August of 2007. The reason for the refinancing is that the market interest rates have declined and the letter of credit with JP Morgan Chase Bank will be coming due in August of 2010 and will need to be renewed or renegotiated; their rates are going to raise and will be costly. We have sought other interested parties to refinance with and sent out a RFP and received three (3) strong proposals, settling on Zions Bank to do a private placement; they will take the bonds that are approved and finance all the costs under the structure of a tax exempt bond. Series A was previously a tax exempt bond and

Series B was taxable, we have restructured this so all is tax exempt and this will save us five million dollars (\$5,000,000.00) throughout the life of the bond. We will spend some of the money that we were originally going to be spending on the taxable property on the medical office building #2, we will be restructuring and only a portion is qualified as tax exempt, the rest will be spent out of cash reserves. We do have other qualified construction projects we will use the rest of those proceeds that qualify for tax exempt. We are here today to go through the process of getting approval to go through the MBA to proceed getting funds to continue with the refinance. This new financing will take junior position to the existing debt, mainly CIB, and taking on new debt of security on the property. Zions Bank is going to be the purchaser of the bonds and will be holding them; this is considered a private placement. Attorney Stearmer stated that he has read the documents and is okay with it, from a legal standpoint. There has been an amended, not-to-exceed amount of sixteen million five hundred thousand dollars (\$16,500,000.00), you will see that change throughout the resolution; on page six (6), because of the strategy change of what kind of bonds you were going for, or how they re-characterized it, maybe Mr. Hales can explain this. Mr. Hales stated that when they discussed restructuring this with Zions Bank, there were going to be two (2) ways of how we could receive the funds. The initial way was that we would request the funds as needed and by doing it this way we would not have to pay interest on any of it until we requested the draw; the issue with that is there is market risk on the fluctuating rate. The other option is for us to get all of the money at closing and put it into an escrow account where we would pay interest on the whole lump sum. The bonds were initially a multi mode variable rate bond on the taxable and tax exempt side, at the time it was at near market historic lows, so we felt comfortable with locking it in; you lock it in with a swap agreement. We found a third (3rd) party, which was Lehman Brothers that comes in and establishes the fixed rate based on the market so we never pay more or less than that locked in rate. Lehman Brothers filed bankruptcy, as a result, we had issues with the swaps and interest rates fell; it's to our advantage to get out of it, but we would have to pay a lump sum to get out of it. We initially were looking at about two million five hundred thousand dollars (\$2,500,000.00), but now the market to market value has gone down and we have been working with Zions Bank for an amount to pay off the tax exempt portion to get that paid off; built in to the refinancing is up to one million five hundred thousand dollars (\$1,500,000.00) to pay for the swap agreement termination. They have established a not-to-exceed amount of sixteen million five hundred thousand dollars (\$16,500,000.00) of debt that we can take on, in receiving governmental preferential financing rates because we are doing it through the municipality, we can receive a lower rate, but there is a cap of thirty million dollars (\$30,000,000.00) in a calendar year to use at this governmental preferred interest rate structure; it will leave us with thirteen million five hundred thousand (\$13,500,000.00). Attorney Stearmer stated that come January of 2011, we start all over; it's based off of date issuance.

At 1:38 P.M. Regular Commission Meeting Reconvened...

Consideration Of Resolution No. 10-03, A Resolution Of The Board Of County Commissioners Of Duchesne County, Utah Authorizing The Issuance And Sale By The County Of Its Hospital Development Revenue And Refunding Bonds, Series 2010 (Uintah Basin Medical Center Project) In The Aggregate Principal Amount Of Approximately \$16,500,000.00 To Finance The Acquisition, Construction, Improvement And/Or Equipping Of Various Medical Facilities And Related Improvements For Uintah Basin Medical Center, Inc. And To Refund Certain Of The County's Outstanding Bonds; Authorizing The Execution By The County Of A Loan Agreement And Other Documents Required In Connection Therewith; And Authorizing The Taking Of All Other Actions Necessary To The Consummation Of The Transactions Contemplated By This Resolution, And Related Matters

RESOLUTION NO. 10-03

(See attached)

Commissioner Winterton motioned to adopt Resolution No. 10-03 and authorize Chairman Peatross to sign appropriate documents. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.

Consideration Of 2010 Standard Cooperative Agreement For Utah State University Extension Educational Work

Chairman Peatross stated that we discussed this earlier in the working meeting. Attorney Stearmer stated that everyone is familiar with the work that USU does, such as the grasshopper program this past year, and they also do educational work throughout the county. We have a contract with USU to supplement the program out here and the contract language looks good; the dollar amount has gone down from last year so they are comfortable with the amount. *Commissioner Wood motioned to approve the contract with Utah State University Extension in the amount of eighty thousand sixty eight dollars (\$80,068.00). Commissioner Winterton seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of Bids For A Neola Fire Truck

Commissioner Winterton stated that we do not need formal action, this has already been approved through revitalization.

Consideration Of Approval Of The Board Of Equalization List

Assessor Greg Garff joined the meeting at 1:42 P.M...

Assessor Garff stated that on the attached documents, one shows changes from the market value that was changed prior to disclosure notices going out, the other list shows locally assessed properties that were adjusted prior and finishing up areas. *Commissioner Wood motioned to approve the Board of Equalization List as presented by Assessor Garff. Commissioner Winterton seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of The Minutes For Regular Commission Meeting Held January 04, 2010

Commissioner Wood motioned to approve the minutes with the necessary correction. Commissioner Winterton seconded the motion. All commissioners voted aye and the motion passed.

Adjournment

Chairman Peatross adjourned the meeting at 1:55 P.M.

Read and approved this 25th day of January 2009.

Kent R. Peatross
Commission Chairman

Diane Freston
Clerk/Auditor

*Minutes of meeting done by BobbiJo Bailey*_____