

**SAN JUAN COUNTY COMMISSION
NOVEMBER 17, 1986**

The San Juan County Commission met in regular session on November 17, 1986 at the hour of 10 a.m. at the San Juan County Courthouse, Monticello, Utah.

The following members were present: Commissioner Bailey, Acting Chairman
 Commissioner Holliday
 Commissioner Black, absent

Minutes of the November 10, 1986 Commission Meeting were approved on the motion of Commissioner Holliday and seconded by Commissioner Bailey. UNANIMOUS.

BLANDING UTILITY COMPANY - PUBLIC HEARING - Industrial Revenue Bonds

A public hearing was held on November 17, 1986, for the purpose of receiving public comment on county issuance of industrial development revenue bonds for the Blanding Utility Company Project in the amount of \$3,000,000. Those present were Kent Adams, President of Blanding Utility Company, Craig Halls, attorney representing Blanding Utility Company, Carl Eisemann, Rick Bailey, Administrative Assistant, Bruce Halliday, county attorney, Karen Halls, Commission Secretary, and the Commission.

Commissioner Holliday made the motion that with Bruce Halliday, county attorney's, approval of the Memorandum of Agreement the county enter into the agreement and authorized Commissioner Bailey to sign it. Commissioner Bailey seconded the motion. UNANIMOUS.

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT between SAN JUAN COUNTY, (hereinafter referred to as the "Issuer") and BLANDING UTILITY COMPANY, a Utah corporation (hereinafter referred to as the "Company").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this agreement are the following:

A. The Issuer is authorized and empowered by the provisions of the Utah Industrial Facilities Development Act (the "Act"), to issue industrial revenue bonds for the purpose of acquiring or financing the acquisition of manufacturing, industrial or commercial properties (as defined in the Act) and of leasing, selling or financing the same to or for others for such rentals and upon such terms and conditions as the issuer may deem advisable.

B. The purposes of the Act are to achieve greater industrial and commercial development in the State of Utah (the "State") and to authorize municipalities and counties in the state to finance, acquire, own, lease, or sell projects for the purpose of reducing, abating, or preventing pollution and of protecting and promoting the health, welfare and safety of the citizens of the state. The Act vests the Issuer with all powers that may be necessary to enable it to accomplish such purposes. Said Act further authorizes the Issuer to issue industrial development revenue bonds or other forms of municipal industrial development financing (the "Bonds") for the purpose of carrying out its powers. In furtherance of such purposes the Issuer proposes to finance the acquisition of natural gas wells, pipelines and distribution systems and necessary plant and equipment and improvements which shall be located within the boundaries of the Issuer (referred to as the "Project"). The Project shall be financed by the Issuer based upon the commitment of the Company to repay the obligations underlying the financing arrangements at no cost to the Issuer or taxpayers residing within the Issuer.

C. In view of rising acquisition costs, it is considered essential that the Project be acquired at the earliest practicable date. The Company is willing to proceed with the Project on the understanding that the proceeds of the sale of the Bonds of the Issuer will be made available to finance the cost of the project.

D. The Issuer is interested in assisting the Company to effect the financing of the Project consistent with the purposes of the Act and hereby advises the Company that, subject to due compliance with all requirements of law and the obtaining of all necessary consents and approvals and to the happening of all acts, conditions and things required precedent to such financing, the Issuer by virtue of such statutory authority as may now or hereafter be conferred, will issue and sell the Bonds in an amount not exceeding \$3,000,000.00 to pay the cost of the project.

2. Undertakings on the Part of the Issuer. Subject to the condition herein stated, the Issuer agrees as follows:

A. It will authorize or cause to be authorized the issuance and sale of an issue of the Bonds, pursuant to the terms of the Act as then in force, in an aggregate principal amount not exceeding \$3,000,000.00. Said Bonds shall not be guaranteed by the Issuer nor secured with a pledge of the credit of the Issuer.

B. It will cooperate with the Company's efforts to find a purchaser or purchasers for the Bonds and if purchase arrangements satisfactory to the Company and consistent with its existing borrowing commitments can be made, it will adopt or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds, and the financing of acquisition of the Project by the Company exclusively, all as shall be authorized by law and mutually satisfactory to the Issuer and the Company.

C. The aggregate loan payments to be paid by the Company payable under the loan agreement whereby the Project shall be financed shall be such sums as shall be sufficient to pay the principal and interest and redemption premium, if any, on the Bonds, as and when the same shall become due and payable.

D. It will take, or cause to be taken, such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Company. Subject to the conditions above stated, the Company agrees as follows:

A. It will use all reasonable efforts consistent with its existing borrowing

commitment to find one or more purchasers for the Bonds in an aggregate principal amount not exceeding \$3,000,000.00.

B. It will, to the extent deemed by it to be necessary or desirable, enter into a contract or contract for the acquisition of the Project and at the time of the delivery of the Bonds, it will to the extent necessary, pledge its interest in the Project toward repayment of the Bonds. Title to the Project shall be held in such a manner as to be subject to assessment for real and personal property taxes applicable.

C. Contemporaneously with the delivery of the Bonds, it will enter into a loan agreement with the Issuer under the terms of which the Company will obligate itself to pay sums sufficient in the aggregate to pay the principal, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such agreement to contain provisions required by law and such other provisions as shall be mutually acceptable to the Issuer and the Company, including but not limited to the indemnification of the Issuer by the Company against any costs or damages arising from or connected with the offer and sale of the Bonds and the payment or default in payment of principal or interest of the Bonds.

D. It will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertaking or as it may deem appropriate in pursuance thereof.

4. General Provisions.

A. All commitments of the Issuer under paragraph 2 hereof and of the Company under paragraph 3 hereof, are subject to the obtaining of all necessary governmental approvals and the approvals of the appropriate financial officers of the Company and the condition that on or before three years from the date hereof, or such other date as shall be mutually satisfactory to the Issuer and the Company, the Issuer and the Company shall have agreed to mutually acceptable terms for the bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the agreements referred to in paragraph 3 and the proceedings referred to in paragraphs 2 and 3 hereof.

B. If the events set forth in (A) of this paragraph do not take place within the time set forth, or any extension thereof, and financing in such amount as shall not exceed \$3,000,000.00 is not arranged for and consummated for within such time, the Company agrees to pay the Issuer sufficient amounts to reimburse the Issuer for the review of the initial proceedings and an evaluation of financial information concerning the Company and the Project.

C. For the calendar year ending December 1986, the State of Utah (the "State") has provided its own method of allocating the State Ceiling Amount (as defined in the Internal Revenue Code of 1954, as amended), and the Unified Volume Ceiling (as defined HR 3838, passed by the United States House of Representatives on December 17, 1985), among the various issuers of Bonds in the State, consequently the Issuer cannot guarantee at this time that the Company will qualify for a portion of said State Ceiling Amount or Unified Volume Ceiling. However, the Issuer agrees to cooperate with Company in obtaining a portion of such ceilings.

D. This agreement and/or right hereunder may not be assigned except with the written consent of the parties hereto, which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their agents thereunto duly authorized as of the 17th day of November, 1986.

SAN JUAN COUNTY

/s/ Kenneth R. Bailey
Kenneth R. Bailey, Acting Chairman

Attest:

/s/ Gail D. Johnson
Gail D. Johnson, Clerk

WEEDBOARD - COUNTY POLICIES - BUDGET - ROAD DEPARTMENT SERVICE

The following county weedboard members met with the Commission to discuss the items of the November 13th Weedboard meeting: Jim Heaton, Jim Keyes, and J. Whitney Redd. Mr. Heaton said that Commissioner Holliday was not present at the meeting and the board needed to discuss budget problems. Mr. Heaton said he would like to have warning lights installed on the county truck because it's very dangerous when they are spraying the roads against the traffic, but the road department has refused to install these lights. The Commission explained that the weedboard needs to submit a bid request before the lights can be purchased. (The county policy on purchases over \$100 requests two written bids and approved by the Commission). The weed board members said they did not know of this county policy and would follow it in the future. Mr. Heaton said he would also like to replace the two ton truck with a one ton truck. Commissioner Bailey said he thought the two ton truck was adequate.

UNDC REPORTS - OJATO WASH BRIDGE - ROADS - INDIAN HEALTH SERVICE

Tully Lameman, UNDC, met with the Commission to report on UNDC's last meeting.

Ojato Wash Bridge

Mr. Lameman said the Western Navajo Agency Road Committee met last Monday and discussed the bridge at Ojato Wash. After some discussion it was put on the high priority list which will consist of a road engineer working on the design of the bridge. (The BIA will be working on this project.) Commissioner Bailey said he would like Doug Pehrson, county engineer, to work with the BIA so the bridge is not over designed. Mr. Lameman said the Navajo Tribe's Economic Development Committee is budgeting \$100,000 to assist in economic development for that area and will be used for the bridge.

Teacher Training & Adult Education

UNDC has submitted two proposals for teacher training and adult education and will know by May of 1987 if these will be funded programs.

Road improvements on Reservation

Mr. Lameman said that Bernal Bradford, county road foreman, gave a report to the UNDC board on the priority list of road improvements on reservations. Herb Clah will be writing a letter asking the county to stay as close to the priority list as possible. Commissioner Bailey said the county is working on the White Mesa to Montezuma Creek road but the county has received two letters from oil companies saying not to grade the road because of the pipeline. Commissioner Bailey said there is still a lot of shell rock at the pit and it needs to be used on this road. The county needs help in getting rock and shell permits on the reservation.

Senior Citizen - Van

The Red Mesa Senior Citizen program is planning to get a van by December. The State Department of Transportation prevention funds are providing for this van.

Indian Health Service

UNDC has a contract with the Indian Health Service for reimbursement to the clinics serving Navajos that live in Arizona near the Utah/Arizona strip. Navajo people who live on the border say it is closer to go to Montezuma Creek rather than Shiprock but can't be served because of the contract. UNDC is asking for a modification of the contract.

Range Improvement on Cahone Mesa

Two families at Cahone Mesa are doing a range improvement program. The fencing has been completed and a tour of the project is being planned in the near future. They will be reseeding and also introduce a new grazing program. UNDC hopes that other families will do this in the future to prevent overgrazing.

Horses - Aneth

The Aneth Chapter is working on a proposal to round up all the horses in the Aneth area to be sold, except those that are branded and/or covered by grazing permits.

Shopping Center

UNI and UNDC met last week and agreed to sell the shopping center in Salt Lake City. This will help with the costs and funding for the development of the Paiute Farms Marina.

NAVAJO MOUNTAIN TO OLJATO ROAD - Commissioner Bailey reports

Commissioner Bailey reported that he, Doug Pehrson, county engineer, and crew surveyed the Navajo Mountain to Oljato road off Paiute Mesa and hope to have all the profiles, road designs and rough estimates soon. Mr. Lameman said he talked to Senator Orrin Hatch a few months ago and explained that they needed funds for this road and Senator Hatch said he was interested, but wanted to know what the benefits were and also needed more information.

RECREATION COUNTY-WIDE - BUDGET - Commissioner Holliday reports

Eddie Allred, director of the county-wide recreation, met with the Commission to discuss some budget problems for the next year. Mr. Allred said he would like to budget a curb and gutter project for the new ball park in Blanding (the City of Blanding would do the work and the county would participate.) Mr. Allred made a request from the recreation department that the county carry over the approved \$4500 for lights at the Montezuma Creek Ball field into the 1987 budget in revenue sharing. Mr. Allred said the mechanical part of the Blanding Pool needs a lot of work and the Commission told Mr. Allred to get at least two proposals on this before finalizing anything. It was agreed that the Monticello golf course has done real good this year in paying for itself and expanding interest.

SOCIO - HOVENWEEP EXPANSION - SUE COOK - CONGRESSMAN NIELSON

Sue Cook, staff member of Congressman Nielson, met with the Commission to see if there was anything they needed to discuss. Mrs. Cook said that Robert Nieves, SOCIO representative of the Grand/San Juan county area, talked to her about the Hispanic Affairs council discontinuing his seat on that council. The Commission said they hadn't heard anything about this and would have no problem with Mr. Nieves representing the county and serving on this council. Mrs. Cook said she would bring this up at the next AOG meeting and will let Commissioner Black know about this.

Hovenweep Expansion

Mrs. Cook said she is planning on attending the BLM tour of Hovenweep this week and asked if anyone from San Juan County was going. The Commission said that Commissioner Black is planning on attending the tour.

HOVENWEEP TOUR - BLM MOAB DISTRICT

The Commission wrote a letter opposing the Hovenweep Expansion that is proposed by Environmental groups and the Park Service. This statement will be presented at the National BLM Advisory Council meeting.

NURSING HOME - RESOLUTION 1986-11

Commissioner Holliday made the motion to approve the following resolution to the Warranty Deed from San Juan County to Auburn Manor Holding Corporation of the nursing home property and authorized Commissioner Bailey to sign them. Commissioner Bailey seconded the motion. UNANIMOUS.

SAN JUAN COUNTY RESOLUTION 1986-11

The San Juan County Commission resolve that the Warranty Deed attached hereto between San Juan County, a body corporate and politic, and Auburn Manor Holding Corporation, a body corporate and politic, be and the same is hereby approved, and the Clerk be and hereby is authorized and directed to execute the same for and on behalf of the County.

PASSED BE THE BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY, UTAH, THIS 17TH DAY OF November, 1986.

SAN JUAN COUNTY COMMISSIONERS

/s/ Kenneth R. Bailey
Kenneth R. Bailey, Acting Chairman

Those Commissioners voting for adoption:

Commissioner Bailey - Aye
Commissioner Holliday - Aye
Commissioner Black - absent

Those voting against: none

WARRANTY DEED

San Juan County, a body corporate and politic, of Monticello, San Juan County, State of Utah, hereinafter referred to a GRANTOR hereby convey and warrants to AUBURN MANOR HOLDING CORPORATION, of Blanding, San Juan County, State of Utah, GRANTEE, for the sum of Ten Dollars and other good and valuable consideration, receipt of which is hereby acknowledged, the following described tract of land located in San Juan County, State of Utah, to wit:

Beginning at a point North 515.0 feet and East 35.0 feet from the South 1/4 corner of Section 22, T36S, R22E, SLB&M. Running thence East 127.35 feet; N0 18'30" W 30.53 feet; thence N89 41'30" E 40.0 feet; thence N0 18'30" W 78.4 feet; thence N89 41'30" E 37.15 feet which line passes through the approx. center of a common wall of building; thence S0 14'25" E 12.21 feet through a common wall; thence N90 49'40" E 34.54 feet through a common wall to a point beyond building; thence S0 10'20" E 32.0 feet; thence

N89 49'40" E 31.0 feet; thence S45 10'20" E 22.0 feet; thence S0 10'20" E 49.83 feet; thence E 119.58 feet; thence N 350.67 feet; thence W405.0 feet; thence S 350.67 feet to the point of beginning. Containing 3.0 acres. Bearing determined by the line between the S 1/4 corner and SW corner of Section 22 being S89 57' W.

Excepting therefrom all coal.

WITNESS the hand of said GRANTOR, this 17th day of November, 1986.

GRANTOR:
San Juan County

ATTEST:

/s/ Gail Johnson

By: /s/ Kenneth Bailey

ACKNOWLEDGEMENT

STATE OF UTAH)
 : ss.
County of San Juan)

On the 17th day of November, 1986, personally appeared before me, Kenneth R. Bailey and Gail Johnson, who being duly sworn did say that they are the Acting Chairman of the County Commissioners and Clerk of San Juan County, respectively; that they signed and attested to the foregoing Warranty Deed by authority of a resolution of the Board of County Commissioners and they duly acknowledged that they signed same.

/s/ Barbara Montella
Notary Public
Residing at: Monticello, Utah

My Commissioner expires:

2-8-90

HILL-BURTON OBLIGATIONS

The Commission approved an Indemnity Agreement to the Hill-Burton Obligations between San Juan County and First American Title Insurance Company.

SOUTHEASTERN UTAH HEALTH DISTRICT BOARD

The Commission received a letter from Anna M. Benally submitting her resignation from the Southeastern Utah Health District Board.

CEDAR MESA - BLANDING

The Commission received an invitation from Joe and Marilyn Lyman owners of Cedar Mesa in Blanding, to visit their new production facility. Cedar Mesa is one of the finest pottery manufacturing facilities in the southwest area. There will be a Grand Opening on Saturday, November 22, 1986 all day.

ROAD DEPARTMENT - WELDER BIDS

The following two bids were received for a welder for the road department: A-L Welding Products, Inc., a Big 40 Miller Welder, for \$4,764.78 and United States Welding, Inc., a Big 40 Miller Welder, for \$4,902.43. Commissioner Holliday made the motion to approve the purchase of a new welder from A-L Welding Products Inc. low bid. Commissioner Bailey seconded the motion. UNANIMOUS.

REFUND OF VEHICLE TAXES - ASSESSORS'S OFFICE

Barbara Montella, Assessor, met with the Commission for approval to send the refund checks to the individuals claiming such on their vehicle taxes. Mrs. Montella said there were a lot of letters that came back unclaimed. Bruce Halliday, county attorney, said she should confirm the unclaimed letters by writing a list and sending it to Steven Boos, attorney. Mr. Halliday said Mrs. Montella should authorize payment on the basis of the signed affidavit and send with the payment, if it's a partial payment, a note stating that they could only verify this amount and will reconsider it if there is more verification. Commissioner Holliday made the motion to authorize the payment of these claims. Commissioner Bailey seconded the motion. UNANIMOUS.

HOSPITAL ADMINISTRATOR - JOHN FELLMETH - EMPLOYMENT CONTRACT


John Fellmeth, Hospital Administrator, met with the Commission to see if they had approved his Employment Contract for Hospital Administrator and Deputy Auditor in the county courthouse. The Commission said they would finalize this next week.

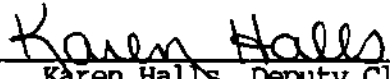
BILLS APPROVED FOR PAYMENT

Steve Bradford	assist tower work Mex. Hat	60.01
Carrot-Top Industries	outdoor flag courthouse	50.00
Nancy Dickey	seminar registration Peggy	30.00
Gordon Redd	restitution Charlotte Hutchins	40.00
John T. Stewart	Partial refund Bail 86DWR486	30.00
T&T Enterprises	work golf course Blanding	202.00
TIME	subscription Library M	43.67
Rocky Mountain Oil & Gas Assoc.	membership Calvin	200.00
Merrill Lynch	nursing home account	1,098,496.87
Oley Black	tool allowance Nov. 86	25.00
Black Oil Company	fuel/sheriffs & road dept	2,731.82
Blue Mountain Petroleum, Inc.	fuel for sheriffs dept	936.00
Britannica Home Library Ser	compton yrbk/Library M	21.36
Bryan, Robert F.	tool allowance Nov 86	25.00
Clark Boardman Co., Ltd.	supplies sheriffs office	31.44
HF Cosby Jr.	Hauling road dept	2,233.00
Delwes Company, Inc.	supplies library M	72.20
James E. Douglass	service for library M	16.00
Hawkins, Stanley M.	tool allowance Nov. 86	25.00
Holden, Ace	glass courthouse	36.80

Holliday Construction Company	hauling road dept	9,856.00
Wesley L. Hunt	repairs communications	1,118.16
Hunter, Dell J.	travel expenses	125.00
International Business Machine	copies supplies	474.62
Int. Crystal MFG Company Inc	supplies communications	52.22
Gail D. Johnson	travel expenses	248.26
Max Ksiazkiewicz	tool allowance Nov 86	25.00
Leavitt, Grant H.	green fees Nov. 86	39.20
Venice Lyman	restitution:Kelly Shumway	100.00
Martineau, Gary	janitor library B	404.25
F.H. Miller, Jr.	supplies road dept	19.20
Kenneth Miller	hauling road dept	2,290.75
Montella, Barbara	travel expenses	428.23
Monticello city/Justice Peace	S.O. Collections	217.50
Mosher, Mary Lou	travel expenses	308.30
Motor Parts Company	parts road dept	2,023.48
Victor Nebeker	tool allowance	25.00
P&F Parts and Supply	parts for sheriffs office	21.35
Tierre J. Patterson	tool allowance No. 86	25.00
Rachel Romero	janitor library M Nov. 86	225.00
San Juan County J.P.	from H.Lee West 86DWR080	500.00
San Juan County Library B	petty cash	50.53
San Juan Physicians Group	pay'deduction E.Sanchez	10.00
The San Juan Record	subscription road dept	9.00
San Juan Timber Products	supplies road dept	420.00
Gaylen Schaugaard	janitor library M	173.25
Seventh District Court	Charlotte Hutchins	40.00
Shilo Inn-Salt Lake City	travel Expenses	32.00
Dayne Shumway Const	hauling road dept	1,925.00
Sorbus	printer supplies	280.06
State Information System Serv.	billing Oct 86 Sheriff	149.00
Statewide Assoc.of Prosecutors	membership dues attorney	139.16
Swenson, Eric P.	public defender Nov. 86	500.00
Tek Shop	typewriter repairs sheriff	165.00
Texaco Refining & Marketing Inc.	gas purchased sheriff	8.19
University Radiologist	pay'deduct:J. Manheimer	100.00
Utah Gas Service Company	utilities Library M	193.57
Utah Navajo Industries	supplies communications	690.97
Utah Power & Light Company	utilities TV Boosters	38.33
Utah State Dept of Agriculture	renewal license/pesticide	10.00
Doris Valle	travel expenses	28.73
Mike Young Incorp	parts road dept	9.52

ADJOURNED


Kenneth Bailey, Acting Chairman


Karen Halls, Deputy Clerk