

**MINUTES OF THE
SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT
May 16, 2013
BOARD MEETING**

1. Roll Call:

Presiding: La Vone Liddle, Chair 2013

Time: 12:33 PM

Place: 2020 North Redwood Road, Salt Lake City, Utah 84116

Trustees Present: La Vone Liddle, Board Chair
Maureen M. Wilson, Vice Chair
Todd Erskine
G.E. 'Deac' Thomas

Trustees Excused: Dr. Dagmar Vitek

Others Present: Sammie Lee Dickson, Ph.D., Manager
Banugopan Kesavaraju, Ph.D., Assistant Manager/Biologist
Jonathan Ward, Zion's Bank Public Finance
No other members of the public were present

2. Considerations for Reissuance of DSLASA Bond

Johnathan Ward, Zion's Bank Public Finance, approached Gary Hatch, MAD-Davis Manager and DSLASA Executive Director, about the possibility of selling the 2009 Bond that was used to finance the DSLASA hangar and reissuing it at a lower interest rate and saving some money for both MAD-Davis and SLCMAD over the next five years. Mr. Ward had previously sent preliminary documents to both districts outlining the process and an estimate of potential savings. The MAD-Davis Board of Trustees met at their regularly scheduled meeting on May 9, 2013, and approved a resolution to proceed with the selling and reissuance of the bond and to give the authority to the DSLASA Executive Director, Gary Hatch, to sign documents that are within the prescribed parameters as represented by Johnathan Ward.

Mr. Ward, in attendance at the ~~the~~ SLCMAD May Board Meeting, was questioned by the SLCMAD Trustees' about various aspects of the proposed transactions, including the odd information contained in Section 5.1 of the First Amendment to the Master Lease Agreement. Mr. Ward noted that this information was incorrect and will be corrected on the final copy. Trustee Liddle noted that the sample resolution for the MAD-Davis and SLCMAD were not the same. The resolution for the MAD-Davis contained an extra section, Section 8, concerning how the appropriate officials at the District are authorized to make alterations, changes or additions in the Lease. Mr. Ward had no answer as to

why the two resolutions would not be the same. A call was made to Randall Larsen, Bond Attorney with Ballard Spahr. Mr. Larsen suggested that when the documents authorizing the process to begin are signed, then, the Section 8 of the MAD-Davis resolution should be inserted into the SLCMAD resolution.

Mr. Ward presented a preliminary savings summary sheet. It is anticipated that the average interest on the bond will go from the current 4.97% down to 1.78% yielding an expected net savings to the Districts of \$55,903 over the next five years.

Trustee Erskine proposed the following resolution:

RESOLUTION NO. 2013 - 1

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT, UTAH (THE "DISTRICT") AUTHORIZING AND APPROVING THE EXECUTION OF AN AMENDMENT TO MASTER LEASE AGREEMENT BY AND BETWEEN DAVIS-SALT LAKE AERIAL SPRAY AUTHORITY, UTAH (THE "AUTHORITY") AS LESSOR AND THE DISTRICT AND MOSQUITO ABATEMENT DISTRICT-DAVIS, UTAH, AS LESSEES; APPROVING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,350,000 (THE "BONDS"), TO REFUND CERTAIN OUTSTANDING LEASE REVENUE BONDS OF THE AUTHORITY; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), permits local governmental units including cities, counties, and political subdivisions of the State of Utah to make the most efficient use of their powers by enabling them to cooperate with other localities on the basis of mutual advantage and to create a separate legal entity to more efficiently provide governmental facilities and services to the general public; and

WHEREAS, pursuant to the Act, the Davis-Salt Lake Aerial Spray Authority, Utah (the "Authority") was created by the Salt Lake City Mosquito Abatement District, Utah (the "District") and the Mosquito Abatement District-Davis, Utah (together, the "Members"); and

WHEREAS, the Members have requested that the Authority refund the Authority's outstanding Lease Revenue Bonds, Series 2009 (the "Refunded Bonds") which were previously issued to finance the acquisition and construction of a hangar and related improvements at the Ogden-Hinckley Airport (the "Project"); and

WHEREAS, pursuant to the provisions of the Act, the governing board of the Authority has authority to issue bonds for the refunding the Refunded Bonds; and

WHEREAS, the Authority desires to issue its Lease Revenue Bonds, Series 2013 in the aggregate principal amount of not to exceed \$1,350,000 (the "Bonds") to: (i) refund the Refunded Bonds and (ii) pay issuance expenses to be incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, such Bonds may be secured by a pledge and assignment of the revenues received by the Authority from the leasing of the Project financed with the proceeds of the sale of such Bonds and may be secured by (a) a mortgage covering all or any part of such Project, (b) a pledge and assignment of the leasing contract for the Project, (c) amounts held in reserve funds or (d) such other security devices with respect to the Project as may be deemed most advantageous by the Authority; and

WHEREAS, pursuant to the prior Master Lease Agreement dated June 1, 2009 (the "Master Lease") and an Amendment to Master Lease Agreement dated as of June 1, 2013, (the "Amendment to Master Lease" and together with the Master Lease, the "Lease") each between the Authority, as lessor, and Mosquito Abatement District – Davis and Salt Lake City Mosquito Abatement District, as lessees (the "Lessees"), the Authority has previously leased and desires to continue to lease the Project to the Lessees upon the terms and conditions set forth in the Lease; and

WHEREAS, the Authority has estimated that the amount necessary to refund the Refunded Bonds and to pay costs of issuance will require the issuance, sale and delivery of the Bonds in the principal amount of not to exceed \$1,350,000; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust and Pledge dated as of June 1, 2009 (the "Prior Indenture") and a Supplemental Indenture of Trust and Pledge dated as of June 1, 2013 (the "Supplemental Indenture" and together with the Prior Indenture, the "Indenture") each by and between the Authority and Zions First National Bank, as trustee (the "Trustee"), and the Authority proposes to further secure its payment obligations under the Bonds under the existing Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of June 1, 2009 and related security documents (collectively, the "Security Documents") for the benefit of the holders of the Bonds; and

WHEREAS, the Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the Lessees on an annually renewable basis, and shall not constitute or give rise to a general obligation or liability of the Authority or the Lessees or constitute a charge against their general credit or taxing powers; and

WHEREAS, the Authority has negotiated the purchase of the Bonds with Bank of Utah (the "Purchaser");

NOW THEREFORE, IT IS HEREBY RESOLVED by the Board of Trustees of Salt Lake City Mosquito Abatement District, Utah, as follows:

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and by the officers of the District directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby authorizes, approves and directs the refunding of the Refunded Bonds by the Authority with all or substantially all of the proceeds of the Bonds within the parameters described in this Resolution and in accordance with the provisions of the Indenture, and the leasing of the Project to the Lessees by the Authority within the parameters described in this Resolution and in the manner provided in the Lease.

Section 4. The Amendment to Master Lease in substantially the form attached hereto as Exhibit B, is authorized and approved.

Section 5. For the purpose of providing funds to refund the Refunded Bonds and providing for the payment of certain costs of issuance and for such other purposes as may be authorized under the Indenture, the District hereby approves the issuance by the Authority of the Bonds which shall be designated the "Davis-Salt Lake Aerial Spray Authority, Utah Lease Revenue Refunding Bonds, Series 2013." The Bonds shall bear interest at rates not to exceed two and one-half percent (2.5%) and shall mature within six (6) years of their date of issuance as described in the Indenture, a form of which is attached hereto as Exhibit C.

Section 6. The appropriate officers of the District are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act to lease the Project (along with the other Lessees) from the Authority within the parameters described in this

Resolution and pursuant to the Lease and the Indenture, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

Section 7. Upon their issuance, the Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Bonds and the Indenture. No provision of this resolution nor of the Indenture, Lease nor any other instrument, shall be construed as creating a general obligation of the District, nor as incurring or creating a charge upon the general credit of the District or its taxing powers.

Section 8. The appropriate officials of the District are authorized to make any alterations, changes, or additions in the Lease herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the District, or the provisions of the laws of the State of Utah or the United States.

Section 9. The District Manager of the District is hereby authorized to attest to all signatures and acts of any proper official of the District, and to place the seal of the District on any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the District. The appropriate officials of the District, and each of them, are hereby authorized to execute and deliver for and on behalf of the District any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any resolution of the District.

Section 10. For purposes of and in accordance with Section 265 of the Code, the District hereby designate the Series 2013 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The District reasonably anticipate that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the District and by any aggregated issuer during calendar year 2013 will not exceed \$10,000,000. For purposes of this section, "aggregated issuer" means any entity which (i) issues obligations on behalf of the District, (ii) derives its issuing authority from the District, or (iii) is subject to direct or indirect control by the District within the meaning of Treasury Regulatory Section 1.150-1(e). The District hereby represent that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the District, and all aggregated issuers for calendar year 2013 does not exceed \$10,000,000.

Section 11. It is hereby declared that all parts of this Resolution are severable, and if any section, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause, or provision shall not affect the remaining sections, clauses, or provisions of this Resolution.

Section 12. All resolutions, orders, and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

Section 13. This Resolution shall take effect immediately upon its approval and adoption.

The motion was seconded by Trustee Thomas and passed with a unanimous vote.

Mr. Ward said that he will be trying to complete the process and hold a closing on the transaction by June 20, 2013.

Since there is no penalty for early repayment of any or the entire bond, the Board is in general agreement that it would like to continue with the current repayment schedule to possibly pay off the bonds prior to the July 15, 2018, maturity date. Trustee Thomas made a motion to continue with the same repayment schedule even if the bonds are reissued. The motion was seconded by Trustee Wilson and passed with a unanimous vote.

3. Approval of the April 18, 2013, Minutes of the April Monthly Board Meeting:

Trustee Erskine proposed the following corrections to the April 18, 2013, Minutes of the April Monthly Board Meeting: in item #8, in the first paragraph, in the first sentence, capitalize 'district's' and in item #9, in the third paragraph, in the first sentence, insert the word 'on' after 'Workshop'. Trustee Erskine made a motion to accept the April 18, 2013, Minutes of the April Board Meeting with his proposed corrections. Trustee Thomas seconded the motion, which passed with a unanimous vote.

4. Presentation April 2013 Financial Statements and Approval of Bills for Payment:

Manager Dickson reviewed the April financial statements with the Board. All expenditures were reviewed with special attention paid to those in excess of \$500. A review was also made of any budget line items that were over the expected percentage of spending for this time of the budget year.

Expenses for April totaled \$89,551.32 with \$87,512.85 from the General Fund and \$2,038.47 from the Capital Projects Fund. Trustee Wilson made a motion to accept the April financial statement and to pay the bills as presented. The motion was seconded by Trustee Thomas and passed with a unanimous vote.

5. Facility Maintenance:

The pesticide room addition project is in the design phase. Manager Dickson met with Brett Harper, Harper Engineering, to go over design changes due to not being able to use the concrete structure that is currently in place. The goal is to start construction on the project by September 2013. However, Manager Dickson said that he did not want to rush the project and wanted to take plenty of time to review all plans that are produced.

6. Old site Water Monitoring:

On May 1, 2013, Sage Environmental performed a bi-annual monitoring of the water wells located at the old District facility at approximately 463 North Redwood Road. The monitoring is part of a thirty year agreement with the Utah Department of Environmental Quality that began in 2004. When the water

samples were taken, it was noted that one well cap was corroded from salt used during the winter and another well cap had been vandalized. Manager Dickson instructed Sage Environmental to have the wells repaired if the cost was below \$1,000. The wells have been repaired at a total cost of \$650.

7. Purchasing Cards:

Manager Dickson contacted Steve Smith, Manager of the Rose Park Zion's Bank Branch, about the possibility of either credit cards or debit cards for each full time employee for small purchase use. He recommended that the District issue debit cards to each of the full-time employees, with each to have no ATM access, no cash advance, and a monthly limit of \$500 in transactions. The debit cards will be part of the petty cash checking account that is limited to a \$500 balance at any time. Trustee Erskine made a motion to have Manager Dickson work with Zion's Bank to set the petty cash debit cards, to make sure all transactions are assigned a purchase order and that there is a sign in and out system for the debit cards. The motion was seconded by Trustee Wilson and passed with unanimous vote.

8. Declaration of Surplus Property – Board Table:

On May 1, 2013, Henriksen / Butler delivered the six tables that make up the new flexible table for the board room. Manager Dickson said that pictures were taken of the old table and it was disassembled and stored to make room for the new tables. Manager Dickson asked the Board to declare the old table as surplus property so that it could be sold. Trustee Thomas asked what the District had paid for the table when it was built 20 years ago. Manager Dickson stated that he did not know the price of the table as it was part of a group of furniture built by the Utah State Prison System. Trustee Erskine made a motion that the old board room table be declared surplus property and that it be sold in a venue such as KSL for a best offer price. Trustee Thomas seconded the motion and it passed with a unanimous vote.

9. Report on Attended and Reminder of Upcoming Training / Meetings:

The Utah Mosquito Abatement Association held its annual Spring Workshop at the office of the Utah Local Governments Trust in North Salt Lake on April 20, 2013. Eight District staff members, Trustees Wilson, Liddle and Thomas, as well as, 14 seasonal workers attended the workshop. Assistant Manager Kesavaraju and Manager Dickson both gave presentations at the workshop. This was the largest UMAA workshop to date with 210 registrants.

Assistant Manager Kesavaraju and Manager Dickson attended procurement training held at the Central Utah Water Conservancy District on April 30, 2013. Attorney Mark Anderson is working on a template for local districts to follow to prepare their own procurement rules. The template should be ready at the UASD fall meeting in November.

On May 3, 2013, Assistant Manager Kesavaraju, Mechanic Feragen and Field Supervisor Dewsnup took three of the District's ULV machines to a UMAA calibration event in Provo. All three machines were certified as to the proper droplet size.

The American Mosquito Control Association Legislative Conference was held in Washington, D.C., May 6-8, 2013. Trustee Erskine, Manager Dickson and Assistant Manager Kesavaraju attended. Other districts' attendees included Trustee Janice Fisher from Magna MAD, Trustee Pat Pignanelli from South Salt Lake Valley MAD and Manager Randel Sessions from Box Elder MAD. The three major issues presented to the four congressional offices and two senate offices were: the effect of NPDES permits on mosquito control and asking support for HR 935 and S 802; keeping the funding for Epidemiology Capacity grants from CDC stable so that the Utah State Health Laboratory can continue to process mosquito samples for West Nile Virus; and, grandfathering in lands that are added to existing USFWS federal wildlife refuges so that mosquito control can be performed giving a buffer between the refuge and the citizens that MADs try to protect.

The South Salt Lake Valley MAD has invited our Board to attend a Trustee training event at their office on June 10, 2013. Since all of our District's Trustees have received training this year it is not expected that any will attend this event.

The Salt Lake City Mayor's Office has asked that all members of boards associated with Salt Lake City sign a civility pledge. The forms were passed out to the four members in attendance who signed the forms which will be forwarded to the city.

10. Manager's Report:

During April, the District had four seasonal workers for most of the month. On May 6, an additional nine seasonal workers started work for the season.

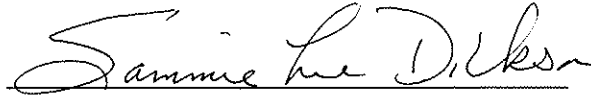
April started out warm and the crew was very busy treating larval sources that had hatched out early. However, the weather turned cool again and slowed down mosquito development. Fewer than normal mosquito samples were made during the month of April. Only 38 acres of larval sources were treated for the month. No aerial spraying was done in April.

11. Probable Agenda Items for the June 20, 2013, Board Meeting:

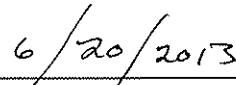
The June Board Meeting will be held on June 20, 2013, at the District office, beginning at 6:00 PM. The reason for the evening meeting is that a hearing will be held to discuss proposed 2013 Budget changes and to propose a 2013 certified tax rate. The hearing will be followed by the regular June Board Meeting at 6:30 PM. At the regular Board Meeting, it is expected that the Board will adopt a certified tax rate, adopt amendments to the 2013 Budget and adopt a financial audit of the District's operations which ended December 31, 2012.

12. Adjournment:

Trustee Thomas made a motion to adjourn the May Board Meeting. The motion was seconded by Trustee Wilson and passed with a unanimous vote. The meeting was adjourned at 3:10 PM.



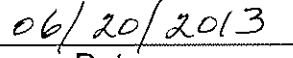
Sammie Lee Dickson, District Manager



Date



La Vone Liddle, Board Chair



Date