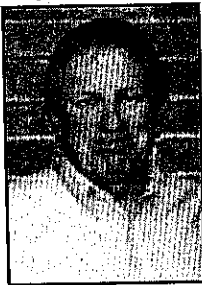


County Council Corner

BY MIKE KOHLER
Wasatch County Council

TAs noted in the wave last week, the Jordanelle Special Service District was the subject of a 15 month audit by the State Auditor's office. The findings of the audit accused the JSSD of poor record keeping and possible financial mismanagement. From some of the comments I received, it is clear that articles in the paper last week, including mine, did not give enough details about the investigation to clear up misconceptions. Hope it helps.



The audit addressed managerial and record keeping problems from 2005 through 2011. During that time, the present county council was not in charge of the JSSD. It was managed by General Manager Dan Mathews and an independent control board. The audit focused on credit and gas card transactions including lost receipts and missing minutes. It also considered allegations of conflicts of interest on the part of the board. In the end, although there were gaps in producible records, auditors could not find any evidence of the alleged misdeeds but chose to report that they couldn't prove there hadn't been. The audit is often confused with ongoing litigation against the district. They are two different activities although there are some ties. It is likely that complaints which got the State Auditor's attention likely came from the same people we are being sued by. They are trying anything they can think of to cause trouble for the district.

It's important to note that the district was being sued not because of record keeping problems but because the economic setbacks of 2008 and 2009 left many property owners around the Jordanelle, particularly Area C, in financial trouble. Starting in 2005, those same property owners, ready to take advantage of the real estate market at the time, had volun-

tarily mortgaged their property to pay for sewer and water services to area C including a sewer treatment plant near the dam. The plant was a requirement because the Heber Valley sewer lagoon system didn't have capacity for the estimated 3300 homes expected to be built in a rather short period of time in area C. As the sewer and water project was nearing completion, the economy tanked, houses and lots could not be sold and assessments were not paid. As a result, the Jordanelle district, the middleman in the bond process, was forced to foreclose on those who didn't pay. Property owners lashed out at the district trying to find anything that might give them a chance to retain their property. Accusing the district of mismanagement was a good place to start though they didn't have evidence. Lawsuits related to foreclosure lasted over 4 years. It certainly wasn't a situation created by the district or the county. It was just bad timing. The same economy had left many around the west shorthanded and looking at foreclosure. It is one of those things that just happens.

By 2013, legal challenges started drawing the county into the fight. With all of the cross over involvement, the County Council decided to release the JSSD control board and assumed control. The goal was to finish the audit, solve our lawsuits as quickly as possible and stop the bleeding. We have made good progress. The audit is complete and, although not great, has given us a chance to critically look at operations with an eye on making positive changes for the future. We are talking with our legal challengers hoping to avoid continued legal costs by solving our legal challenges by direct negotiations and we are looking at new management after the resignation of our former manager. We have hired a CPA comptroller to review district records to standardize each into a more understandable form including internal audits on compliance to policies and procedures affecting operations and office personnel. We are in a much better place and still looking for improvements each month. As always, let me know if you have comments or questions.

THIS WEEK

in Wasatch County

Governor Herbert to help launch global company

Gov. Gary R. Herbert will be addressing the media at a press conference at the Zermatt Resort in Midway, Utah at 10 a.m. on May 6, 2015. The Governor will address Utah's recent economic growth and his commitment to make Utah recognized as a premier global business destination. Gov. Herbert will highlight Becoming Your Best Global Leadership, a small, Utah based leadership training company, having a significant impact on a global scale. The Governor will launch the Becoming Your Best World Tour!

Gov. Herbert said, "We live in a world where geographical, political, and linguistic boundaries are becoming increasingly irrelevant. The marketplace is becoming increasingly more global - and that is a good thing for the states, provinces, and countries which are prepared to compete in the global marketplace."

In support of the Governor's vision, Becoming Your Best Global Leadership provides companies and individuals worldwide, the principles, tools, and skills necessary to create a rhythm for sustainable success. "We hope to replicate the success of Utah all over the world. We are on a mission to help organizations and individuals discover their best and how to

Rocky Mountain Power sponsors discounted LED bulb program