



Midway City News

February/March 2013

Midway City Corporation

Little Known Facts About Midway City's Water System

By Steve Farrell

President, Midway City Water Board

Frequently I get asked why Midway City only provides the culinary water we use in our houses, and also why Midway Irrigation Company provides the irrigation water that we use outside for landscaping and gardening ("The Secondary System"). To answer these questions some history is necessary on how the two systems came about and how the Midway City and Midway Irrigation Company were able to come together to provide the water service we now enjoy.

Up until about twenty years ago Midway City had its own water system which provided water to the residents of the City principally out of the Gerber Spring which was located above Snake Creek, west of town. The Irrigation Company was a typical agricultural irrigation company, providing "flood" irrigation to the farmers and ranchers through open ditches that had been developed by the pioneers who settled the valley. Much of the Company's water came from the same spring that provided water for the city, but the Company also had additional springs and river water rights. At that time the city provided all of the water for their residents for culinary as well as outside use. The amount of water Midway could use was not adequate to provide for both, and summer water shortages and rationing were common.

At the same time, the Jordanelle Reservoir and expansion of the Central Utah Water Project was under way.

Midway Irrigation elected not to join because of the unique geographical nature of their system which did not intermingle with the other systems. They did, however, obtain a grant to pipe some of their system purely for conservation purposes.

As the city grew, development demand exceeded the amount of water in the system. To remedy this, the city began to take Irrigation Company shares into its system to provide culinary water for areas being developed. As this took place, the Irrigation Company realized it would be beneficial to all users, including those inside of the city, to provide pressurized irrigation water. To do so would require infrastructure through city streets that the city would otherwise have to invest in, maintain, and install. This led to discussions between the parties wherein it was determined it was mutually beneficial to have Midway Irrigation Company provide all irrigation water to those within the city limits, in exchange for mutual cooperation from the City and promises to help pay for the extensive infrastructure needed to install the system. By cooperating, the City saved millions of dollars it would have had to have spent to install its own system, and allowed Midway Irrigation Company to maximize the flow of water to all end users.

This has had a great impact on the city. With the irrigation system in place it has eliminated the past water shortages and so far the homeowners

have had unlimited outside water without any use restrictions. In addition, the financial impact has been very beneficial. Most do not realize that one of the biggest expenses to the city is having enough places to store water in case of fires. The state mandates how much we must store for fire flow and in 2005 that was about 1,075,000 gallons. If we had to use city water for inside and outside water, as well as fire storage, our storage capacity would be inadequate to meet state standards for fighting fires and creating a dangerous situation that could only be remedied with considerable expense to the city. Our engineer has estimated that with the secondary system in place it has relieved the city of having to build additional expensive storage tanks for an additional 25 to 30 years and with growth slowing, perhaps even longer. In addition, it has relieved the city of the operation and maintenance of the system which is a large expense.

This extension of the system required significant additional financing which was borrowed by the Irrigation Company. In 1998, the Irrigation Company, applied and received a loan from the Board of Water Resources in the amount of twelve million dollars to construct the secondary irrigation system. In order to meet the annual payments of approximately \$425,000 the company leased to The Jordanelle Special Service

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District ("JSSD") the winter portion of the flow from the Ontario Drain Tunnel. This lease was in perpetuity for development and use in the Jordanelle Basin.

With the economic slowdown and the lack of development, JSSD failed to make the lease payments, placing the Irrigation Company in a difficult situation, because it no longer had the money needed to pay the Water Resources loan.

With the loan approaching default, the Irrigation Company had two funding options: 1) assess the stockholders on a per share bases for the annual payment of \$425,000 (which is approximately \$121 per share and would have cost the city, who holds approximately 1000 shares, the amount of \$121,000.00); or 2) find a new lessor or buyer for the winter portion of the Ontario Drain Tunnel water.

After extensive discussion, several shareholder meetings, and entertaining different offers, it was determined that the best option was to sell the water to the Central Utah Water Conservancy District. This action would have the least impact on the company and its stockholders, allow the debt to be retired completely, and leave the Company with operating reserves for the foreseeable future.

On January 28, 2012 a special stockholder meeting was held and a vote was taken to authorize the board to move forward with the sale. The vote was 2219.5 shares in favor of the sale and 32.5 against. The Board went forward with the sale on April 25th, 2012 wherein 2114.4 acre feet of the winter flow of the Ontario Drain Tunnel was sold for \$12,686,604. The loan to the Board of Water Resources was paid in full that same day, leaving Midway Irrigation Company debt free.

In this year's annual meeting, it was discussed that the Company will be left with several million dollars after taxes are paid, which will be used for future development projects and maintenance to the system. The money will allow the shareholders in the company to avoid yearly assessments for the foreseeable future.

In the meeting, it was fully disclosed that the Company had explored and researched the possibility of issuing a dividend to the shareholders, and that based on the advice of its accountant and tax attorney, no dividend was legally possible. A dividend would have been beneficial to the City, as a tax exempt entity, but potentially harmful to the other shareholders who are not. The city, as the largest single shareholder in the Irrigation Company, was part of the exploratory process on the dividend and fully understands that leaving the money within the Company does nothing but increases value of its stock, assures a quality system for many years to come, and gives the company opportunity to develop additional sources of water.

Understand that as growth continues, the natural progression of things will result in Midway City being a majority owner in the Company, which means that what is best for the company is best for the city. As of now the city owns nearly a third of the company and this percentage will continue to grow.

The City and Irrigation Company have been able to work together for the betterment of the community and company for nearly two decades and it has been a great cooperative effort.

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Heber Valley Railroad Events

The Heber Valley Railroad is introducing a number of new special trains and events in 2013! Some of those include:

Monday Night Trains. Beginning January 28th, these fun and family friendly trains depart Monday's at 7pm. The 90 minute ride includes sing-a-longs, fun, games, and live entertainment! Tickets are just \$8 each and as low as \$5 each for groups. Great snacks and food on board with \$2 hot chili & crackers, popcorn, and other snacks and drinks. Perfect for groups.

Chocolate Lover's Train. One Friday each month come and enjoy the Heber Valley Railroad's date night train with a focus on chocolate! Cozy seating for couples, live music, and samples of delicious chocolate confections! Water and soft drinks included. 7pm departure. 2 hour round trip.

Magic Train. Also on select Friday nights, the magic train is a fun date or outing for the whole family. You'll enjoy spacious seating, live music, fun, and entertainment from a talented and funny magician. You'll also enjoy snacks and bottle water. Other concessions available. 7pm departure. 2 hour round trip.

And look forward later this year to exciting special events including the Spring Easter Festival March 29-30th, Day Out With Thomas the Train, Memorial Day weekend, Dinosaur Trains in July, Hobo Trains in August, and Wizard Trains (get your wands ready).

We also have special inexpensive rates for school groups and field trips February through May.

We'll see you on the Heber Valley Railroad!

February Calendar of Events

- Feb. 13th City Council – **Community Center 7:00pm**
- Feb. 14th Valentine's Day
- Feb. 18th President's Day – **City Offices Closed**
- Feb. 20th Planning Commission – **Community Center 7:00pm**
- Feb. 24th Flag Day

March Calendar of Events

- March 10th Daylight Savings Time Begins
- March 13th City Council – **Community Center 7:00pm**
- March 17th St. Patrick's Day
- March 20th Planning Commission – **Community Center 7:00pm**
- March 31st Easter Sunday



It's time to renew your business license.

This is a friendly reminder that it is time to renew your business license. The renewal notices have been sent out. Annual fees were due by January 18, 2013, are effective on January 1st and expire on December 31st. A fifty percent (50%) Late Fee will be assessed after February 1st. Please remember that your license must be displayed in a conspicuous place on a wall of the building, room or office of the place of business so it may be easily seen.

Who needs a business license? Any person who transacts, engages in or carries on any business, trade, profession, calling, or is operating a vending, pinball or coin-operated machine in the City of Midway must have the class or type of license required. In addition to Business Licenses, licenses are required for door to door solicitation, sale of alcoholic beverages, sexually oriented businesses, Special Swiss Day Requirements, Transient Home Rentals, and Special Events.

Licensed businesses are subject to other provisions of the Code and must obtain written preliminary approval of the business location from the Planning Department and written preliminary approval as to regulatory code compliance from the building inspector and fire marshal.

If you are conducting business in the City and do not have a business license, please contact the Midway City Planning Department as soon as possible for specific information on the type of license you may require. You may also access the complete code and all requirements by visiting www.midwaycityut.org. Click on Codes and Ordinances and download Title 7 Business Licenses and Regulations.

As always, City staff is available to answer any of your questions by calling the City office at 435-654-3223.



Midway Boosters: Looking Back and Looking Forward

The Midway Boosters are pleased to inform the citizens of Midway of their projects and accomplishments completed during 2012 under the leadership of Joe Linford, President.

In Spring, the Boosters hosted the Swiss Miss Pageant which resulted in one of the most elegant and talented Swiss Miss Courts ever. Queen - Olivia Kelson and Royalty - Kara Scott, Aspen Sims, Torrey Turner & Maddalena Willis participated in many events throughout the year, representing our City with grace and poise.

Flower baskets were purchased and hung on Main Street lamp posts to beautify our city and several of our local arts organization received donations to help finance their local activities. A \$35,000 check was presented to the City for improvements to Town Hall.

At our annual 4th of July Celebration on Town Square, Dennis and Georgia Dawn Clegg were celebrated as honored citizens for their faithful service to the City of Midway and a wonderful patriotic speech was given by Stephen Studdert, Midway citizen and former adviser to three US Presidents.

The Boosters sponsored the annual fireworks celebration and work was completed on the upgrade of the Town Hall Glockenspiel clock. The glockenspiel was mechanically rebuilt and new electrical controls installed. A ChimeMaster computerized music system was installed to operate the glockenspiel and to play Sunday Hymns and holiday music via a carrillon of bells.

In late summer the Boosters contributed to the Swiss Days Celebration by sponsoring the Swiss Days Parade and entertainment in the Town Hall; the Swiss Belles, Swiss

Swiss Chorus and other groups contributed to the festive spirit of the occasion. For the youth of our city, the Boosters funded four scholarships to help ease the burden of college tuition.

Later, the holiday season resonated with the Swiss Christmas Festival which featured holiday shopping opportunities with non-stop entertainment including an outstanding performance by Merele Osmond which left the audience standing in appreciation and wanting more. As a part of the Swiss Christmas Celebration the Midway Boosters hosted The Inter-faith Creche' Exhibit at The Homestead where hundreds of nativities and art were exhibited. The holiday season concluded with the donation of 30 food baskets to the needy in Midway.

The Boosters are now turning their attention to 2013, a new year of opportunity and service to the Midway Community.

New officers for 2013

Fred Thomas – President
Doug Jenkins – Vice President
Don Whitehead – Treasurer
Karla Jenkins – Secretary

The Boosters will be addressing the need to upgrade the Old City Cannery on Main Street over the next several years. Funding for the Midway Boosters is exclusively through the proceeds of Swiss Days and donations from local citizens. If you would like to donate to the Boosters you can do so by contacting any of the officers.