

**Timber Lakes Water
Special Service District**
Wasatch County Offices
25 North Main
Heber City, UT 84032

435-654-0125
6:00 p.m. on 4/19/2011

Board Meeting Minutes

Facilitator: Adam Hagan and Neil Anderton

Note Taker: Carol Baker and Sherry Valdez

Board Attendees: Adam Hagan, Neil Anderton, Leno Franco, David Hansen, Mike Wheelwright, Ralph Lewis, Steve Farrell and Greg McPhie

TLW Personnel and Legal Council Attendees: Jody Defa, Carol Baker, Sherry Valdez and Duane Moss

Guests: Dave Dillman and Jared Moss

Meeting began at 6:02 p.m.

Approval of March Board Meeting Minutes: The minutes were reviewed. **Mike Wheelwright made the motion to accept the minutes. Ralph Lewis seconded the motion. Motion passed unanimously.**

Warrant List: The warrant list was reviewed. The checks began at 9420 and went through 9491. There were questions regarding the following two checks: Check number 9483 was issued for three employee's health insurance; check number 9449 was issued for the backhoe lease. There will be a balloon payment regarding the trackhoe that will be discussed later. **David Hansen made a motion to approve the warrant list. Greg McPhie seconded the motion. The motion passed unanimously.**

At 6:11 p.m., Adam Hagen turned over the facilitation of the meeting to David Hansen, stating that he will email the new Chairman copies of the agendas and warrant lists. The Board meeting moves forward as we have a quorum.

Board Nominations: Gordon Huetter declined becoming a board member at this time. Laura Camper is considering becoming a board member; however, she has concerns regarding a few issues. Mike Camper works for the Home Owner's Association, managing the road work in the area. Mrs. Camper is also Timber Lakes Water insurance agent. She also withdrew from the Water Board when she last served due to the HOA and TLW's relationship.

The position that needs filled is one of a part time resident, so this excludes Laura Camper from filling this position.

We shall consider a mailing campaign to get another applicant for candidate. All positions are appointed by the County.

The Board opened nominations for a Chair and a Co-Chair. Ralph Lewis nominated Neil Anderton. Greg McPhie nominated David Hansen. **Greg McPhie moves nominations cease. Mike Wheelwright seconds the motion. The motion passed unanimously.**

Neil Anderton has served years on the council and has leadership capabilities. David Hansen has great knowledge in regards to water as well as the new water system.

The Board made the decision that whomever is not elected as Chair will take the position of Vice Chair. The Board Members voted in writing for the candidates, which resulted in a tie. David Hansen rescinded due to the tie and will now become the Vice Chair. Neil Anderton is now residing Chair of the Board. **David Hansen made the motion for Neil Anderton to become the Chairman of the Board and David, himself, to act as Vice Chairman. Ralph Lewis seconded the motion. The motion passed unanimously.**

Greg McPhie made the motion by acclamation to leave Leno residing as the Board's financial person. David Hansen seconded the motion. The motion passed unanimously.

Delinquent/Shut Off Procedures: The Board reviewed the policies and procedures for the delinquent and shut off procedures. Duane Moss commented there has been changes to the statutes since 2004, and there are discrepancies we need to clear up. The Board needs to address the \$25.00

capital fee currently being charged. An estimated amount of \$11.00 goes toward bond payment. The remaining amount goes toward the operation and maintenance. We still need to develop the springs, etc. We should look into the impact fees and develop a committee from the Board. We need to revise the procedures of the delinquent/shut off procedures so that we can collect the money owed in a quick and legal manner. The three main things we need to review are the spring development, cost and upgrade issues. We don't have a history as far as the new water system goes so we really do not know the operating costs. Shifting the 11.00 from the capital fee will change the nature of the in-house effect. We need to do as much capital improvement as possible with the \$25.00 fee.

We need to gather our best estimate for O & M fees as well as for the new bonds. We need to be able to present the baseline budgeting for operational expenses to present to the public. It would be good to show budget of capital verses O & M, but the issue here is that we have no history. We really need to be able to justify expenses. A few people are targeting the \$25.00 capital fee, stating it does not make sense.

Bond Issues: The checks sent in after the deadline for the water revenue bond were sent back. They were notified and their checks were returned. Our problem is we don't know how to charge the interest.

The Assessment and Revenue Bonds are paid semi-annually. We need to keep the money for the bond payments into qualified accounts. These transfer of money needs to be done by someone who is qualified to do so. Leno is qualified and will go through a list of qualified accounts and make a decision where to input these funds.

Water System Report: We believe we have adequate equipment for what we need or we can rent the equipment if need be. Our 4 year lease is up on the back hoe on June 1, 2011 and we will have a balloon payment of \$84,000.00. The amount of maintenance is estimated to be \$2500.00 to \$3000.00 a year. The excavator is worth \$130,000 to \$150,000 so we have equity in it. When our projects are complete we would like to downsize.
Greg McPhie made the motion to give Jody authorization to buy the machine on 4 year deal, to sign the contracts and initiate agreements. Ralph Lewis seconds the motion. The motion passed unanimously.
Boxwood Lane:

Boxwood Lane Issue: Scott Treau gathered money from some lot owners for the Boxwood Lane project in 2006. The question is should these people be charged and impact fee? The Board would like to invite Troy and Gretchen Wilde to May's meeting to resolve this issue.

Owner Issues: The Home Owner's Association is asking Timber Lakes Water to go back and road base a certain area on Clubhouse Road, an estimated 1,000 feet. Timber Lakes Water feels that if there was no road base to begin with that it is not our responsibility to comply with this request. **David Hansen made the motion to vote no to the HOA request for TLW to lay road base on the area on Clubhouse Road. Mike Wheelwright seconded the motion. Motion passed unanimously.**

Ralph was directed by the HOA that we deny giving water to plat 22 (the Kip Barnes lots by Club House) until the HOA makes a settlement regarding a section of Blue Spruce Road. There was some discussion and the consensus of the Board was that the District is legally obligated to give water to plat 22. This obligation results from the District's settlement agreement with Veigh Cummings. Duane advised this is an HOA issue and we should not get involved in.

Other Business: In order to transfer money from our savings to our checking account, Jody would have to become an authorized signer. The Board came to the conclusion that to protect staff members from any internal control issues, it would be best to have one of the authorized Board Members delegate the money transfers. One of the authorized Board Members will arrange to have Neil Anderton and Greg McPhie put on as additional authorized signers on our accounts.

Horrocks Engineer Issues: Dave Dillman represented Horrocks at the Board Meeting. There was a survey issue that did not match the contour regarding the Look Out Mountain tank. There is a bird bath in the front of the Look Out Mountain Tank. Horrocks added a drain box, but we are not sure that the drain box will solve the problem. The drain can be evaluated in the spring to see if it is operating properly. If the drain doesn't prove to be working, then other options will be considered. The contractor did not get

the project completed before the snow hit, so the winter issue did not get resolved. There is concern in regards to digging out snow for access to the drain (snow, water, ice issues). There is also a discrepancy with the back charge. Laying the slope back is the contractor's liability. According to the plan, there needs to be a 28 to 1 slope to the entrance of the door to the tank valves. Without this slope it is difficult if not impossible to access the tank valves in the winter months.

The upper tank had to be abandoned because of an elevation made by Horrock's Engineering. Duane and Jody will write a letter to Horrocks discussing those costs. Dave Dillman stated the operating permit is not back from the state and that Horrocks resent the application a few weeks ago but the state lost the documentation. We are satisfied with the samples. The punch list needs to come back from Build and they need to come back and finish as soon as the snow melts. We need to do a walk through with Sunroc at the end of summer. Duane has a copy of the operating agreement noting there are some marked changes we are dealing with. The Cove Springs and Joint Springs monitoring agreement is mostly finished. We are waiting for the Church of Jesus Christ of Latter Day Saints so the agreement can be signed.

From a legal standpoint we are covered. The construction permit agreement must be signed before we can have the operating permit. **David Hansen made the motion to have the Board review and get comments back to Neil Anderton and Duane Moss, so they can execute and sign the agreement. Ralph Lewis seconds the motion. Motion passed unanimously.**

Adjourn: Ralph Lewis made a motion to adjourn the meeting. Greg McPhie seconded the motion. Motion passed unanimously.

Meeting adjourned at 8:58 p.m.

Action Items:

- **Jody will identify all capital projects.**
- **Jody will estimate upgrade costs for adding to the telemetry system as well as itemizing total costs for equipment, developing springs and other capital projects.**

- **Neil Anderton will put on agenda for next month to follow up on the itemizing.**
- **Office to research letter regarding 2006 Boxwood Lane issue.**
- **Have a compaction report to present to the HOA.**
- **Jody will get Leno a list of qualified funds accounts and Leno can make a decision where to input the bond funds.**
- **Follow up on Horrock's issue.**