

**Timber Lakes Water
Special Service District**
Wasatch County Offices
25 North Main
Heber City, UT 84032
435-654-0125
6:00 p.m.

Board Meeting Minutes –AMENDED

Chairperson: Neil Anderton

Board Attendees: Neil Anderton, Steve Farrell, Michael Wheelwright, Reg Anderson and Ralph Lewis, David Hansen

TLW Personnel and Legal Counsel Attendees: Jody Defa and Duane Moss

TLW Minutes: JaNae Quilter, Carol Baker

The meeting began at 6:02 p.m.

Leak Relief Policy: The Board wants to clarify the Policy to include the Base Water Operation & Maintenance fee (\$24.50), Water Usage charges(2,000 gal incremental) , and the System Maintenance fee(\$15.00). The relief dollar amount will still be calculated the same, averaging three months of the previous mentioned fees.

Penalty Forgiveness Procedure on Late Fees: Any inquiries coming into the office are being forwarded by on to the Board via email or letter.

Response from LDS Church on Water Rights: Jody Defa spoke with Steve Palmer, who in turn spoke with their(LDS Church) attorney, Rob Walker. They(LDS Church) said it was a terrible oversight on their part, and it was implied that Rob Walker should get together with Duane Moss & work it out. Duane Moss noted that we should work on not only the West Side Springs but also the Diligence Claim. The original Claim was advertised publicly in the correct manner and was protested by the CUP & BOR, but those protests were denied. Timber Lakes SSD was never properly notified. They(LDS Church) are willing to work it out with Timber Lakes SSD. The final outcome should result in Timber Lakes SSD being designated as a Co-Owner of the Deed.

Approval of May 21st minutes: Steve Farrell motioned to approve the Minutes as corrected as noted on page 1, paragraph 3. David Hansen seconded. Motion passed unanimously.

Warrant List: Checks started at #10315 and ended on #10369. David Hansen questioned check #10348 to Heber City Tire Factory on the tire rotation, Jody Defa explained those charges were for the seasonal tire changeover for both trucks. Also in question is check # 10363, US Bank National Association for \$1500.00 /Administration Fees, the Office Staff will get clarification from US Bank on the exact charge for that fee. Neil Anderton questioned the Meter Works checks for meter replacements, Jody Defa explained the meter replacement fees were for 30 meters and noted that there are approximately 150 meters still to be replaced. Mike Wheelwright motioned to approve the Warrant List, Reg Anderson seconded. Motion passed unanimously.

Review of monthly cash receivables, May 2013: David Hansen again recommended the breakdown of figures by month-to-month for reserve and cash on hand. Duane Moss noted that the 1998 Bond numbers are incorrect, possibly being carried over from the prior year. It is suggested to add Period/Monthly Actual, Period Budget, Date Actual, YTD Actual, YTD Budget, and the YTD difference. Jody Defa will finish the report with Caselle and email it to the Board. Jody Defa will setup and make the recommended changes for next month's meeting. David Hansen recommended clarifying the Aging Report, showing a 90-Day plus breakdown. David Hansen also recommended that on 'Day 61' we start charging a Delinquent Fee plus a percentage. Duane Moss explained that Bankruptcies and Foreclosures can be collected on if they are certified before the time of transfer of ownership. Steve Farrell explained that if the property is liened and sold at County Tax Sale, the buyer pays the tax and the lien. He further noted that County Tax Sale property bids begin at what is owed on the property, including any water fees owed to the District. It is recommended that TLWSSD start recording monthly with the County, starting September 2012 and older. Duane Moss will prepare a form to present to County for recording.

Water Manager Report: Jody Defa reported there were three new meter connects this month, and two more upcoming. He noted a meter went bad at the Lookout Mountain Vault; the conduit filled with water, it forced up and ruined it because the conduit is seldom water-tight. Jody has been working with CAT and Heber Valley Bank to refinance truck and the Excavator at lower interest rates. Another issue is the overflow at the lower Lone Pine tank; so much water is going through it that water splashes up onto the flume sensor and shorts it out. It is noted that accurate flow measurements are needed and a bigger flume is recommended to rectify the problem. Additionally, the backhoe has 1400 hours under the hourly-time rate contract with CAT, and they (CAT) have raised their leasing prices. However, they (CAT) will switch us out at the same rate that we are currently (TLWSSD) charged. Jody suggested sending one backhoe back to save money but that means being short a Backhoe in winter months. David Hansen recommended keeping the second backhoe since winter is our critical time of backhoe use. Neil Anderton, Reg Anderson, Mike Wheelwright agreed. The Board recognized that Ralph Lewis didn't agree. Steve Farrell abstained.

Other Business: Neil Anderton recognized the effort of Jody Defa on behalf of employee salary increases. David Hansen noted that salary adjustments weren't accounted for in the 2013 Budget and suggested that a Budget Hearing for rate increases may be necessary for the 2014 Budget. Duane Moss reminded the Board that Matt Millis of Zion's Bank advised that yearly increases will most likely be necessary according to their study. Steve Farrell would like to see cuts somewhere in the budget to provide employee raises without rate increases. Neil Anderton brought up looking for any additional grants that may be available. It was suggested that TLWSSD share equipment with TLW HOA, and dually noted that it has been tried in the past without much success. Mike Wheelwright mentioned the additional savings that will come after the remaining new meters are in place. Jody offered that the excess meter budget cash flow may carry us in other areas as well, not necessarily just employee increases, until the closing of the Revenue Bond in 2017. David Hansen recommended finding areas where we can cut now and how far that may carry us forward. Steve Farrell asked how much it would take to provide employee raises. The Board estimated that the cost of a 3% increase would be approximately \$9,500. Another area suggested to look into is Workers Compensation; costs may be able to be added to the Wasatch County plan. Jody Defa will speak with David Rowley, Wasatch County HR, to discuss further savings through Worker's Comp. Other cuts or savings may be possible elsewhere, such as the second backhoe, insurance, UCIP, etc... Neil Anderton and Jody Defa will further look into trimming costs to look for employee raises without raising rates.

David Hansen motioned to adjourn. Mike Wheelwright seconded. Meet adjourned at 8:04 pm