

**Timber Lakes Water Special Service District  
Wasatch County Offices  
25 North Main, Heber City, UT 84032  
435-654-0125  
September 19, 2017  
Board Meeting Minutes**

**Chairperson:** Neil Anderton

**Board Attendees:** Neil Anderton (2019), Reg Anderson (2016) **excused**, Ralph Lewis (2016), Mike Wheelwright (2016), Steve Farrell (County Rep.), David Hansen - (2017), John Blickenstaff (alternate), Doug Spenst (2020).

**Other Attendees:**

Jody Defa, Timber Lakes Water System Manager, Craig Hall, Timber Lakes Water Office Manager, Jared Moss -Legal Counsel

Bonnie Huetter, Gordon Huetter, Vince Allred and Kirk Sulser, Kathy Wheelwright and Mrs. Spenst.

**Meeting called to order at 6:00 pm.**

**Prayer/Remark:**

Neil Anderton offered a remark from Michael Angelo.

**Old Business:**

Neil Anderton welcomed the new board member Doug Spenst to the board.

Neil went over the venue that Jared Moss found as options for our Christmas Social on December 12, 2017. Steve Farrell made the motion that we have the Christmas Social on December 12, 2017 at Soldier Hollow immediately after the board meeting. Second by Ralph Lewis, Passed unanimously.

Neil asked Jared Moss where we are currently in the process regarding the default letters? The default letters went out by certified mail. We have received four signed certified letter receipts back signed. Doug is making phone calls to numbers we have on file.

**Property Owners Association**

Nothing at this time.

## Public

Vince Allred, would like to address the board regarding wage increases, job hazards and why the employees feel like they are underpaid. Vince, said he is not one to toot his own horn however, I would like to give you examples of why we the deserve increased wages. The first example of a hazardous situation was from happened today while digging, and a power line was hit sparking electricity and we were all soaking wet. This was not a good situation however we handled the outage quickly. We were able to work with Heber Power and Light to quickly get the power back on for the customers. I believe the board should take into consideration that we work in rain, snow, shine and sub-freezing weather conditions. I feel like we can work this wage issue out without drawing a line in the sand. We have a lot of experience between the employees. We are very skilled employees and are our pay should be in the higher end range for employees in the water management industry. We as employees solve problems without even being asked on a daily basis. My second example of a problem I solved, was the concern regarding the request about not taking the track hoe on the new asphalt roads. I have worked up in Timber Lakes since I was sixteen years old, so I was able to the address church leaders in Timber Lakes. I knew of an alternate path that would allow the track hoe to move around without damaging the new road. I communicated with the church leaders who agreed, so that the track hoe can be driven on a dirt road. These are many of the examples of what we do as employees taking our jobs to the next level above what we are asked. The only person that knows what we do is Jody, and all of us do not get paid correctly for what we do here at Timber Lakes Water SSD compared to the industry standards. I would like to suggest that Jody be able to come up with a recommendation to solve this wage matter. The recommendation should be presented to the board and then you as a board can make a decision regarding to accept it or counteroffer the wages.

Neil Anderton, Vince I do not want any of you to think that we do not appreciate what you do. I do not know what we would if all you did not work for us on a day to day basis. We are not going to let this matter drop we are going to pursue this, we just need some further information from our banker. We want you to know we are not going to let this drop.

Kirk Sulser, would like to give examples regarding the twelve years that he has worked for Timber Lakes Water SSD. Prior to Timber Lakes I spent 8 and half years working for Heber City. He then commented that the previous employees of Timber Lakes Water did not stick around because of the job requirements being so high. Vince is very helpful and one of the best workers I have worked with. Vince gives 110% every day and I would hate to see him leave. I also think Craig does a great job compared to the previous employees. We have been through many employees prior to Craig. We have had no problems and the water district is running better because he is employed here. Jody, I have enjoyed the twelve years that I have worked with him. I think what we do as a crew, we can handle anything up on the mountain and feel like we are a great team. We have all been loyal and are very thankful to have a job. I however look around the valley and do not feel like the wages are not competitive. I can honestly say that laying mainline pipe was the hardest time I remember. I would like you to take into consideration how smoothly things have been run since we have all been employed here and the service we provide. Suggested that we have a meeting to move on the wage issues. We have more certifications than the other water districts and make less.

Jody, my concern is we have not one time had a merit raise in two decades. The only one that has been given was because of a grievance concern. I love my job and do not want to lose my job however the message has been sent. Every time that raises are brought up the board discusses the matter and then decides they need to do a big study then pays for another study and then another study. It does not take long that the moral starts to be affected, I feel like we as employees need to know whether we are within the standards. In a lot of ways to pry information from the board or write letters to the board is demeaning regarding what we deserve. For the last couple of decades, we have been a construction company. If Timber Lakes had to hire out the project we have worked on, I can't even imagine what the cost would be. I am not trying to say everything is perfect or that we always save a ton of money. Even during the PRV, project the money we saved during that time. It just seems as though it is expected that we work for these wages that are not high enough. Where do we go from here? I just do not see this going in a positive direction. What more can be said, we have job descriptions and I would like our employees to know that they are cared for. Every penny for a raise does not mean that the bill goes up. I don't want to train new people. If we are in the range we are supposed to be that is fine, however the message is that if you work for Timber Lakes Water you are not worthy enough to be paid what the other water districts are being paid then we need to know. The people that have left us that we trained make more money than we do.

Steve Farrell asked how we reach an answer. Jody stated that is a great question I have spoken to Matt Millus, at Zions Bank, and he has put together a wage study for us based on AWWA's list. Kirk provided the pay scale to Steve, making note of the fact that the employees are paid more and that they are grade III employees.

Ralph Lewis, feels that the employees are smart and are aware that they are underpaid. I would like to comment that these employees are certified and they should be paid accordingly.

The final answer regarding raises is not reached. We as employees are aware of the message that is being sent. We need to know as a group what the final answer will be.

Neil and Jared stated that we have very qualified employees. Jared asked are there are other qualifications and incentives give to the employees that meets the raise requirements.

Steve Farrell, believes that we should have a salary classification for the employees and salary wage classification.

Motion made by Steve Farrell to appoint a committee to look at the salary classifications and wage classification before the next board meeting. Second Motion: John Blikenstaff, all All in favor say I, motion passed the committee will be composed of Reg Anderson, Neil Anderton, John Blikenstaff and Doug Spenst as back up committee.

David Hansen, would like to address salaries as it related to Matt Millus, David believes that the salaries need to be addressed before Matt's report.

Jody, commented that he could start working on the budget to get preliminary numbers to Matt Millus.

#### **August Minutes:**

David Hansen, to Mr. Chairman I have only one correction for last month's minutes, on the second page under legal notice. The second line of the sentence should reflect are correct rather than is correct. The minutes are correct. Neil Anderton, asked who should get the bill for water usage during the asphalt work. The question was also posed as to what amount of water was used during the construction period. Jody, stated that he has the water usage numbers at an average of 50,000 gallons used each month for two months. The bill for the water usage should be sent to Staker Parsons. Motion to approve the minutes as amended by, David Hansen, Seconded by John Blikenstaff, motion passed unanimously.

#### **Warrant List:**

The last warrant list ended with check number 12923. The warrant list starts at 12830 – 12879. David Hansen questioned Jody about the amounts of items coded to supplies. Jody explained that these were parts for meters and hydrants and some tools. Also, Jody said that there have been some supplies taken out of stock that need to be replenished. The warrant list 12885-12922. David Hansen has reviewed the credit card log along with the credit card charges and all of the charges match. I do have one question regarding Kirk Mogul Repair, dump truck repair. I see that back in one of the invoices the charge was for repairs in the amount of \$935.78. Kirk Mogul Repair goes into fairly good detail regarding what was done to repair the truck. The repairs appear to have involved heating and overheating issues. However, there are four invoices that do not have details of what repairs have been done. Jody, gives a description of all four invoices, first Kirk Mogul Repair came to the shop because the oil temperature was heating up so they replaced the oil thermostat thinking that was the problem, second, they replaced the oil cooler and found some resistance in the cooler. I ordered parts to repair the air conditioner and then they made a trip to the shop to repair the air conditioner. The air conditioner is still blowing heat from the air conditioner. Jody, states that the invoices he has does give detail regarding the repairs. Does anyone want to look at the detailed invoices and Neil commented that not if the numbers match. Next month let's look at check number 12880 - 12884 to verify those checks. Does anyone have any other questions regarding the warrants?

Neil Anderton, Steve Farrell made the motion to accept the warrants, Ralph Lewis, Michael Wheelwright seconded, the motion passed unanimously.

**Election of Officers – Independent motions were made nominating the following officers. Each vote was separate and in the affirmative.**

President – Neil Anderton  
Vice Chairman – David Hansen  
Treasurer – Doug Spenst  
Secretary – Reg Anderson

#### **Zions Bank Update:**

Marcus Keller, would like to have been here tonight however he did want me to share with you what they are trying to accomplish. The theory behind what they are trying to do is refund of the bond to pay it off at a lower interest because the

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bond is callable and can't be refinanced until 2021. We would pay off the 2021 bond for the next ten years and then continue paying them at a lower rate after that. This would save us 300,000 to 500,000 dollars on the bond. Zions would like to come the next meeting and present with Matt Millus. They have come up with a couple of problems regarding combined properties and tax liens. The bank would also like to look at our account receivables and defaults. Preliminary discussion with Matt Millus would be to start building on our reserves. We will probably have to make minor adjustments whether we make a big call up front or gradually increase it over 10 years. David Hansen, asked what is the likelihood that the rates can be scheduled over a ten-year period rather than having a rate hearing every 3 years. Please reach out to Matt Millus, regarding salaries and find out what his numbers look like before he finalizes his report. Is the board ok with that? Everyone agreed.

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#### Legal Notice:

Reviewed draft letter to send out to customers that are past due on the 2011 bond. David Hansen stated that we will have to be careful to make sure the numbers provided in the letter are correct and easy to understand. Steve Farrell stated that he thought that we were just going to handle this through the county process of letting it go for five years and then go to tax sale. It was then discussed that the district is responsible to cover these customer for their bond payment when they do not pay and even though we have reserves for these, do we really want deplete these funds when we could possibly foreclose and recover these funds. **David Hansen made the motion to pass the letter to send out to severely delinquent customers owing more than \$500. John Blickenstaff seconded. Motion passed unanimously.**

#### Water Managers Report:

Jody Defa met with Matt Millis of Zions and he is looking at a various scenarios. Zions is looking at the possibility of refunding the 2011 bond and refinancing it to have the opportunity to pay off their bond at the time the existing bond is callable. Matt Millis will present options upon completion of their study.

We have hooked up two new customers and have another 8 more meters to connect in the next week. Two of these customers may or may not need hookups because we have not been contacted by them. If we have not heard from them by next week we will not be hooking the meter up. I assumed 5 meters in the budget, however the water district will not get as much money as budgeted because some of the people are going with the 1inch meter instead of the larger meter. This will bring total number of meters installs between 14 and 16 new connections this year.

The next item I would like to discuss is the cash report and our available operating cash. The yellow line is our operating cash in the amount of 230,912.07. The last time Zions did the rate study we had less operating cash, Zions is very happy that the operating cash has gone up from \$125,000.

Please look at the water revenue bond held in checking, inside the parenthesis. The reason this is in parenthesis is because the money comes in and it is separated into different accounts. The last account to get money applied will be the revenue bond, so we have to take money out of our own checking account to pay it. We have not actually taken money out of our own coffers, because you have to consider two things, the reserve, and the debt service. We pay monthly and the bank pays every six months. If you look at the reserve accounts, we really have not had to put \$39,864.56 out of our own pockets it is just not split up on the computer that way. I will have to do some reorganizing on the computer now that the 1998 bond is paid off. If you look down on the page you will see the 1998 revenue bond is shows we have \$80,738 however this bond is paid off this is why there is extra money. We will need to decide what to do with that money. This is why we have Matt to help us from Zions. The operating cash is \$283,000, including the 1998 bond payoff money. The total operating cash will be \$323,000. We will need to decide where to spend this money whether it be on operating cost or new construction. We should probably look at this money as reserves for system upgrades or problems. I am just trying to give you all a picture of where the cash was. If you look down the page at the 2011 assessment bond you will see a balance of and debt service and in our reserve account. Basically, the money in that account, is available incase somebody does not pay their water bill. There is \$36,481.34 held in the checking account for the assessment bond. The

\$36,481.34 has already been deducted from the total operating cash balance to be transferred to pay for the bond. This month in September, I will have Ralph and myself deposit \$36,481.34 in the amount that we brought in from the assessment bond. The revenue bond is pretty self-explanatory as well, the pre-payment billings are listed on the cash report because we allowed some people to pre-pay off the bond even though the bond was closed. We have to hold pre-payments in our account. We can't put the pre-payments into the account until the bonds are finished. Look at the bottom part of the cash report you can see what money we brought in.

The bottom portion is divided into separate categories. If you look across you can see what kind of checks we have paid every month. The \$9,265.92 we paid every month, we should get the statement so we can see exactly where we are. We will be able to also see where we stand on the 2011 bond. I did send out a tax lien receivable, I just wanted everyone to know how many properties have lein on them and the totals of what we need to pay. There are a few of properties that are about to go to two years of leins and then we will go to tax sale.

The balance sheet pages 4 and 5, I would like for you to look at these items. You can see that at the bottom of the page how much of the year has passes and how close we are to our percentages. We are at 67% of the year has passes and we are at 66% percent of the revenue which Jody feels is pretty good. The next two pages we have labor, administration and maintenance cost. The administration is low because the depreciation is not included. There has been nothing for debt service this month.

The snowmobiles are getting older which was brought up by David Hansen. I believe one might need to be replaced however the other snowmobile is in good shape.

We have one truck that needs repairs in the amount of \$10,000 dollars. I would like to know what your thoughts are about selling the truck. The truck has 105,000 miles. Someone has offered us 5,000 dollars for the truck. The truck is a 2008, and the repairs are going to cost 80 percent of the value. My thought is keeping the money and putting the money towards a new truck when the other one comes up. The board thought it was fine to go ahead and sell the truck at this time.

The cost estimate to put the pipeline in above in the wetlands. I still need to meet with the core of engineers to see what options are available. This project does not have to be done right now. There is an option to pipe burst and pull the new pipe in. This pipe burst option is a common option in wetlands because it does not require a permit because you are going inside of your current pipe. Should I talk with an engineer or Whitaker to see what the cost would be. The pipe that is in currently pvc.

Jody Defa met with the fire department and they decided to paint the top of the hydrants with low pressure with yellow paint in order to identify them in emergency.

Jody Defa then discussed the water line near Ralph's cabin where there was an issue with free flow but somehow it resolved itself.

Jody Defa then discussed the wetland issue. They propose three options: one going through the existing pipe, one running through or by a customer's property (requiring an easement) or going around the swamp. Mike suggested that we approach the core of engineers and advise them that there is an issue with the pipe and that it needs to be repaired.

**Motion to close the meeting made by Mike Wheelwrightke Wheelwright. Seconded by John Blickenstaff. Motion passed unanimously.**

**Time 7:4350pm**

Jared Moss trained the Board regarding the Open Public Meeting Act.