

**Timber Lakes Water  
Special Service District**  
Wasatch County Offices  
25 North Main  
Heber City, UT 84032  
435-654-0125  
12/13/2011  
5:30 p.m.

### **Board Meeting Minutes**

**Chairman:** Neil Anderton

**Note Taker:** Carol Baker and Sherry Valdez

**Board Attendees:** Neil Anderton, Ralph Lewis, Mike Wheelwright, Greg McPhie, Leno Franco and David Hansen.

**TLW Personnel and Legal Counsel Attendees:** Jody Defa, Carol Baker, Sherry Valdez , Duane Moss. Jared Moss was absent.

**Guests:** Matt Millis, Leann Hansen, Kathy Wheelwright, Carolyn Anderton, Kris Moss, Lisa Millis and Chelsea McPhie.

Meeting began at 5:30 p.m.

**Approval of November Board Meeting Minutes:** The November minutes were reviewed. **Mike Wheelwright made the motion to accept the minutes with the amended changes. Leno Franco seconded the motion. The motion passed unanimously.**

**Warrant List:** The Board reviewed the warrant list. The check numbers started at 9898 and ended at 9934. The Board questioned check 9911 to Executech. This is the company that is setting up our server with the new Caselle Clarity software. **Greg Mcphie made the motion to approve the warrant list. David Hansen seconded the motion. The motion passed unanimously.**

**Update of Impact Fee Analysis:** Matt Millis attended the meeting to report on the fee analysis that Zions Financial Services undertook when it was determined by the Board that further analysis of the Impact Fee was not warranted (see November minutes). His fee analysis spreadsheets are attached to these minutes. Mr. Millis explained his assumptions, demand analysis and presented three alternatives with respect to maintaining adequate reserves for funding the current bonds (to keep the bond ratings high) and major repairs and replacements to the system long term. His analysis presented three alternatives showing the effect of (1) eliminating, (2) adjusting for specific bond maturities, and (3) continuing the fee structure as is for the current \$25.00 capital fee being charged to all lot owners. There was a short discussion with respect to the usage fees currently being charged and whether current user demand and usage history warranted changing the usage fee structure. It was generally discussed that further analysis and discussion would be entertained by the Board during 2012.

**Discussion of Proposed 2012 Annual Budget:** Based on the November's public hearing on the tentative budget, the elimination of the impact fee and the re-characterization of the fee structure, Jody and Duane were tasked with presenting a revised budget to the Board for its finalization in the December meeting showing essentially no decrease in the \$25.00 capital fee, but re-characterizing the fee between bond service and operational factors. A revised tentative budget showing a slight positive cash flow from normal operations (without considering the payments from the Charitable Trust) was prepared as a discussion draft by Jody and his staff. Based on discussions in November, administrative costs needed to reflect increases for labor with some adjustments for other operating costs to more adequately reflect year-end results. Accordingly a final budget was prepared with the adjustments and reclassifications made, which is attached hereto. The final budget reflects a negative cash flow from normal operations of approximately \$18,000.00. The negative cash flow is more than offset by the payments to be received in the 2012 from the Charitable Trust. Since the Charitable Trust payments will end in 2012, the negative cash flow from operations will have to be addressed during the year in preparation for equalization of the cash budget in 2013. **David Hansen made the motion to approve the final budget which is the budget. Mike Wheelwright seconded the motion. Motion passed unanimously.** Leno Franco commented that the actual

results for 2012 should be reviewed since the tentative budget was prepared on information through October only. Though the final budget was approved, a final review in January was recommended when 2011 financial results are finally booked. The review in January was approved by the Board: **David Hansen made the motion and Mike Wheelwright seconded the motion. Mike Wheelwright seconded the motion. Motion passed unanimously.**

**There being no further business, David Hansen made the motion to adjourn the meeting. Leno Franco seconded the motion. Motion passed unanimously. Meeting adjourned at 6:14 p.m.**