

Timber Lakes Water Special Service District

Wasatch County Offices
25 North Main, Heber City, UT 84032
435-654-0125
October 21, 2014, 6:00 p.m.

Board Meeting Minutes

Chairperson: Neil Anderton

Board Attendees: Neil Anderton (2015), Reg Anderson (2017), Ralph Lewis (2016), Mike Wheelwright (2016), Steve Farrell (County Re), Leno Franco (2016) and David Hansen (2017).

Other Attendees: Jody Defa, Timber Lakes Water Manager, Craig Hall, Timber Lakes Water Office Manager, Duane Jared Moss-Legal Counsel as well as Eric Franson and Vince Hogge, with Franson Engineering.

Minutes: Craig Hall

Start: 6:00 p.m.

Old Business:

Due Diligence Claim:

To be discussed in the executive session.

Wells Fargo discussion:

Neil reported that Shelly Hisler, our contact with Wells Fargo, has been promoted and transferred. Neil talked to another person from Wells Fargo and received a Client Analysis statement, which he distributed to the board. Then Neil asked if they wished to review it and discuss it at the next meeting. Steve asked, "How much was an excessive fee? Neil stated "Good question." Steve then "how much is the typical fee for this service?" Jody explained that our fees started out at between \$ 60 and \$80 before Wells Fargo helped us reorganize out accounts. Now the fees range from \$150-\$300 per month. Jody said that he would check with America First and see what they would charge for the same services that we receive from Wells Fargo. David commented about the confusing nomenclature in the Client Analysis Statement, noting that that we need further clarification- the board agreed.

Steve suggested that Jody take this to their competitors and see what they would charge? The board suggested that we take it to America First Credit Union and Zion's Bank.

Public Issues:

Mike Wheelwright's wife asked about the Christmas party.

July, August and September Board Meeting Minutes

David stated that the minutes were much improved and suggested that we accept them. Leno made a suggestion that we change the wording to mileage reimbursement for the board members. **Steve made the motion that we accept the minutes for July, August, and September with the recommended changes. David seconded the motion and the board approved.**

Franson Engineering Findings:

Eric and Vince presented their report of the tour of the water system. Jody has been corresponding with Vince on some of the more technical items. Vince summarized the reports from our previous engineer, which included system reports, source protection plans, the water model, and the District Contingency Plan. Vince said the source protection plans appear to be in place for each spring. The documents required by the State of Utah are up to date and will not need to be resubmitted unless there is a spring redevelopment, or new spring development prior to the year 2017.

Vince looked at the model, ran the model and it appears that the documents were based on the full build out of Timber Lakes. A functional model of what is currently in place was not included. Therefore, he was not able to determine whether the model was calibrated by using ages of pipe, valve roughness coefficients etc... Further, Vince said that since he did not receive a functional model that he cannot determine if the model was initially calibrated. David stated that he has questioned this in the past. Jody and the crew just finished flow testing all of the fire hydrants in Timber Lakes. Eric asked if the previous engineer has an original baseline model, which was not sent with the transition documents. David stated that we need to find out. Jody will contact the previous engineer and report to Vince Hogge and the board at the next meeting. This way we will know if Franson needs to prepare an estimate to make a baseline, functional model

Duane questioned if the telemetry system was giving us sufficient current data. Eric stated that the model would give some "What if" scenarios. David stated that the model is worthless if it was not calibrated. David asked what it would cost to calibrate it now. He asked Vince if he had determined the cost to do this and this has quoted. Vince said no.

Warrant List:

Leno Franco said we have two check registers, Start 11235 – 11290. Craig explained 11125 – 11130 were checks and needs to do additional research. Leno does not feel comfortable approving the warrant list due to missing checks. The office needs to keep an accurate record of duplicated checks. Leno wants Craig to bring physical copies (front and back) of all duplicated, missing checks as well as all voided checks to the next meeting and explain why the payroll checks are not showing up on the warrant list. Duane stated that the system should be able to verify the starting check number. Craig is to check with Casselle on settings and report to the board at the next meeting. David stated that we are not seeing all the checks and the board is not approving all of them. How does the board want to approve the interim checks? **Leno said to bring all the checks for the board to approve. Steve seconded that motion. All agreed.**

Duane made a clarification on his bill.

Budget:

Timber Lakes preliminary budget proposed by Jody. Revenue is on page 3. Prepared budget based on calculation of 9 months actual and 3 months forecast. Jody explained the calculations. Payroll increase of 3%.

Insurance increased because of an additional full-time employee.

Benefits, taxes, and payroll are higher than expected.

Jody forecasted based on actuals through September.

Jody explained increased medical expense because of rate increases as well as adding another employee.

The amount to include for amortization is a question.

Bank charges budgeted at \$ 200/month.

Bond fees.

Steve stated that the county is in the process of hiring a comptroller. This will be allocated to all the Special Service Districts.

Dues and subscriptions include all support of software.

Legal costs budgeted at \$14000. Jody asked if the board knew of any other expenses.

Postage is down. Jody asked if the board knew of any additional expenses.

Entertainment is for party.

Telephone is down due to the shop phone has been coded under utilities. Propane is included

Liability insurance includes everything except workers compensation.

Building is insured under two policies. Steve stated that it would not make that big of a difference is we cancelled one policy.

Engineering - we should budget something as a placeholder in here for \$10000.

Bedding proposed at \$6000.

Equipment Lease should go down 6 months into the year.

Dump Truck maintenance is due to age.

Lab testing should be budgeted proposed.

Telemetry is backed up to a cloud and to an external hard drive.

Pumping expense is based on last year's expense.

New meters being installed and meter replacement went down due to completion of the updated meters.

Back hoe expense that was higher due to some accidents.

Truck payment is for the Dodge Truck.

Bond Service schedule asked Duane. Jody to call the bank for annual payment on the bonds.

Maintenance fee is for every lot in Timber Lakes except for the combined lots.

Jody did a projection through the end of the year.

Meter install fees are projected based on five new meter installs.

Steve made the motion to approve the preliminary budget. Ralph seconded. All approved.

Public Hearing:

David made the motion of the public hearing of the budget on November 18, 2014. Michael seconded. All agreed.

Jared is going to check on how to post the hearing with Wasatch County.

Water Report:

Craig submitted tax liens to Wasatch County for the properties that had not made payment arrangements.

Steve stated that submitting tax liens on September 30 was just a county policy. We can only attach for the current year. Steve stated that we need attach September 1 – December 31, 2014. Duane stated that there is a county certification. Notify the tax seller or the property owner that they are liable for any current charges.

Discussed Joey Haught account that has been sold three times and Jody is trying to get a hold of the Cottles who are the new owners.

David stated that we are looking better and now go back and lean the additional properties.

Steve stated that we need to verify that we can lien properties by December 31, 2014.

Customer Issues:

Clark Norris requested refund for late fees. Board decided to deny request so that we are not picking and choosing.

Board going into executive session.