**ERDA ACRES WATER COMPANY, INC.**

A Non-profit Company

P.O. Box 11

Tooele, Utah 84074-0011

Annual Shareholders’ Meeting Minutes 7:00 p.m. Nov. 10, 2016 Erda Fire Station

Present: Tom Isome, Rob Adams, Gerald Brockbank, Larry Brown, Brian Townley, Michael Webb, Alan Clark, Allan and Marion Deware, Elke Ewell, Jess Bird, Diane Hernandez, Blanche Smith, Michael Hartvigsen

1. **Call to Order: 7:05 pm by Tom Isome**
2. **Ascertain Presence of a Quorum: Present**
3. **Proof of Notice of Meeting: Mailed on 10/28/2016**
4. **Approve Minutes from 2015 Annual Shareholders’ Meeting:** Larry made motion to approve minutes. Rob seconded. Vote unanimous.
5. **President’s Report: Tom Isome**

The Board is recommending no change in the water rates for 2016-2017. The growth in the number of shareholders has covered the increase in expenses. We have not had an increase since the completion of the new system but an increase in the future will be needed. The current rate for your monthly water bill is as follows: $40.00 monthly base fee + $0.75 for each 1,000 gallons of water used up to 70,000 gallons + $1.25 for each 1,000 gallons of water used over 70,000.

Since our finances are sound and reserves healthy, the loop construction project (See Appendix for details) should be completed connecting the water line between Cochran Lane and Autumn Cove along Church Road. This will improve the functioning of our system for all shareholders north of Erda Way. The new development on Liddell Lane is contributing toward the project and as additional developments are tied to our system we will be reimbursed for this expenditure. More details on this project will be presented at the annual meeting.

We are continuing to make a few repairs and upgrades to the system to address meter reading, leaks, and operation of fire hydrants but the system overall is operating well. We did replace the motor on the Campbell Well this spring. Alan Clark, a former shareholder, is the lead operator and works as a part-time contractor for the company. We also have 3 licensed operators in the company (Gerald Brockbank, Tom Isom, and Allan Deware) who are assisting Alan. In the future, also we grow we will to need to employ an operator. It has been a good year for the Company. We are strong financially. We have reserves and the system is in good shape.

Any questions? No questions.

1. **Lead Operator Outline: Alan Clark**
* There was a water leak of ~ 15-18 million gallons which has been repaired temporarily. A permanent fix will be implemented by capping the leaking line and is anticipated to be completed in November of 2016
* Minor water quality reports – Coliform was identified in two separate places and was cause by insufficient water flow
* The motor on the Campbell well went out in the Spring of 2016 and needed to be replaced. The pump on the Campbell well is in good shape. The cost of the motor was ~$10k
* Loop project will be delayed until the Spring of 2017 (See Appendix for details)
* The GPS map of the water system layout is being updated
* Fire hydrant repairs are required and will be performed in Fall of 2016
* Continual maintenance is required for many small items
1. **Treasurer’s Report and Presentation of 2016-17 Budget**

2015-2016 assets and expenditures:

* Line 5010 and 5015 represent a debt servicing event that looks like a double payment due the fiscal year ending on Sept 30.
* Line 5395 represent an extra cost associated with the water leak and motor replacement.
* Line 5460 represents legal fees for development. These fees are passed through to the land developers and will be recouped.

Elke made motion to accept budget.

Diane Herrnandez seconded.

Vote unanimous.

**2017 budget proposal**

* The water company has 216 connections and is planning on 18 new connections in 2017. Overall, the water company is doing financially well.
* Line 5080 represents an increased amount in the operator cost to account for a new operator to replace Alan.

Questions

* Are hook-up/contract fees collected every time a house sells? No. They are a one-time thing. The developer pays the contract fee and the hook-up fee is collected at closing.
* Is everyone paying their water bills? When an account is 90 days overdue we send a shut off notice. If the bill is not paid by the date on that notice, the water will be shut off and locked and the county is notified. The county may require them to vacate a home without water. They would then have to pay what is owed as well as a shut-off fee.

Rob made motion to accept the 2017 budget.

Elke seconded.

Vote unanimous.

1. Other Business
2. Election of Directors
3. Position held by Elke Ewell – 2 year
4. Position held by Larry Brown – 2 year
5. Position held by Michael Hartvigsen – 2 year
6. Position held by Blanch Smith – 2 year
7. Position held by Brian Townley – 2 year
8. Position held by Michael Webb (Secretary) –2 year

Gerald made motion to nominate Elke, Larry, Michael H. Blanche, Brian and Michael W. for two year terms. Rob seconded.

Adjourn: Blanche made motion to adjourn at 8:17 pm. Rob seconded. Vote unanimous.

**Appendix**

Loop Project details

There is a subdivision of 28 lots at the end of Cochrane, Clover Blossom, that is currently working on agreements with our company. They will be taking a line from Field of Dreams on Cochrane road to Church road and then beyond for the development. This is a good opportunity to complete our loop from Cochrane to Autumn Cove on Church Road. We currently have two dead end arms on the system that makes it difficult to make repairs to these lines and keep the homes with water. If we connect these arms down Church road, it will improve the fire flow for these sections of the company and is the best practice for the water company. It would cost about $107,000, but we would bid it out. I would like to get the approval from the shareholders to put a 10 inch line, once the line is in for Clover Blossom, from Cochrane lane to Autumn cove.