SMSSD Board Meeting

June 16, 2021

6:00 PM

22130 North 11750 East

Club House

Fairview Utah 84629

Board Meeting Minutes:

Meeting called to order By Craig Godwin at 6:00 p.m.

As required by law, meeting agenda was posted on the Utah State public meeting website and at the SMR clubhouse and on the SMSSD website.

Board members in attendance: Craig Godwin, Don Hunter, Gene Nielsen and David Weber.

Minutes from meeting on April 17, 2021 were read.

Motion made by Don Hunter to accept the minutes as read; seconded by David Weber, motion carried 4/0; minutes stand approved.

Financial balances and details for each account read by Roy Fox. Motion made by David Weber to accept the financials as read. Seconded by Gene Nielsen. Motion carries 4/0 – motion approved.

SMSSD Board Terms of Service updated by Sanpete County.

Craig Godwin: September 24, 2021

Jeff Dymock: December 31. 2022

Donald Hunter: September 4, 2023

Gene Nielsen: September 4, 2023

David Weber: August 18, 2024

Motion made by David Weber to accept the county’s revised dates of service; seconded by Don Hunter; motion carried 4/0; revised dates in place.

Update on Water System and operations:

 Illegal stream diversion:

* Our attorneys, Smith, Hartvigsen, have communicated with all owners of lots near the Cottonwood Springs diversion. Their communication quoting CC&R’s and Utah State Law and what must be done at this point to Cease and Desist. Letter dated May 12, 2021. Motion made to post the name redacted letter on the SMSSD website for all to see the serious nature of water resource law violation. Motion made by David Weber, seconded by Don Hunter, motioned carried 4/0. Roy to post redacted letter on website.
* Thad’s Peak well improvements:

Financial requirement to complete the project:

Japheth McGee from Zion’s Bank has indicated that the division of drinking water board would be hesitant to refinance a bond refunding money against well and infrastructure that may not have a useful life beyond its current liability. With that said, Richard Noble from HAL would be able to provide an evaluation of the useful life of the assets of our water system.

Refinancing of our bond with the State could save us $40,000 to $50,000 per year in interest. That amount would significantly impact our debt to income ratio and would increase our financial stability as SMSSD. Japheth McGee is a catalyst to assist us in this possibility. Those savings would allow us to accelerate the completion of the Thad’s Peak well project, complimented by the fact that because of lot sales and improvements, our annual SSD income is increasing by about $10,000 per year.

Drought response plan:

 Jeremy Fox, as our certified water operator, received a letter from the Department of Natural Resources per Governor Cox’s order declaring a state of Drought Emergency, requesting that we, as a water system, consider implementing a drought policy plan.

 Since outside watering at the Resort is minimal, except for those who have Birchcreek Irrigation, which falls under a separate jurisdiction, our plan would be relatively simple. Roy Fox to post on our website a notice of awareness to the members to exercise their use of water judiciously. Discussion followed about well drawdowns and spring flows and the means by which we might monitor those. There are electronic systems available to do such but would put pressures on our limited budgets.

Annual Audit:

Roy indicated that it is important going forward for us to have at least quarterly board meetings.

We need to also insure that everyone is state certified as a board member. That would require the printed out online certificate to be forwarded to Roy following completion. He then will provide those certificates to the auditor.

The annual audit also requires that we complete a fraud risk assessment. Employees and board members are required to annually commit in writing to abide by a statement of ethical behavior.

Motion made to adjourn by David Weber to adjourn the Board meeting, seconded by Don Hunter. Motion carried 4/0. Meeting adjourned.