

**LAKE ROCKPORT ESTATES PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION
100 ROCKPORT BOULEVARD, COALVILLE, UTAH 84017**

**MINUTES FOR THE MONTHLY BOARD MEETING
TUESDAY, NOVEMBER 12, 2024
PARK CITY COMMUNITY CHURCH
PARK CITY, UTAH**

The meeting of the Lake Rockport Estates Property Owners Association Board of Trustees was called to order Tuesday, November 12, 2024 at 6:48 p.m.

[OPEN PORTION OF MEETING]

Call to Order & Roll Call

Present: Nachi Fairbanks (President) [Virtual], Jeremy Boeckmann (Secretary) [Virtual], Sarah Strader (Treasurer), Skyler Kershner (Vice President), Johnny Wasden [Virtual], Wendee Aguilar, Candace Rust, Greg Warner, and John Simmons were present.

~6:48

Minutes – September & October

There are comments pending via email for September's minutes. Candace clarified she's OK with October.

MOTION: Jeremy moved to approve October's minutes as written. Skyler seconded the motion. The motion passed by all present.

Jeremy to finalize October minutes, post.

~6:51

Water Committee

Skyler introduced Rita Trick of Rural Community Assistance Corp (RCAC). Rita stated she has communicated with Denise so far. She understands that there is a need for funding for feasibility study for annexation with Mountain Regional. Concerned about the debt ratio of Rockport and if we could take on another loan, or if we would need another grant.

Skyler explained some background information on the water system to Rita.

Rita said there was some confusion about what funding LRE has already received. Skyler clarified that we have a loan from USDA and a loan from DDW. Nothing else has been secured. Rita stated that the state has difficulty funding the same project multiple times.

Greg/Skyler to develop a list of all funding LRE has and has requested.

Rita asked if we have a water master plan. Skyler responded that it was drafted but not completed.

Rita asked when the last time a rate study was done. Skyler responded that it's currently underway and we're getting some assistance from Scott Anderson.

Skyler said we have a recommendation for water rates from Paul/Keith. Skyler read in a letter from them (see attached).

Note that these are recommendations from two individual members and are not put into effect at this time.

Skyler notes that we should approve water rate changes before the end of the year.

Jeremy asked about next steps – when would we receive copies of the data/spreadsheets? Skyler also wants to receive spreadsheets for formula checks.

Johnny asked what other alternatives have been explored or are being considered? Keith said that Paul came up with the final recommendation which Keith had concerns with (charging per gallon). E.g., if the

highest water user moves off the mountain, we could come up short. Keith thinks an alternate solution is that everyone on the mountain pays the same regardless of having a meter.

Skyler thinks we will need multiple working sessions to work through this water rate analysis.

Candace stated that we should probably have a special meeting to cover budget and water rate.

Nachi clarified: We need to present the budget to the membership. If there is protest from membership, we need to have a special meeting.

Sarah stated we need to provide a copy of the budget to USDA by December 1. It could be unapproved and then follow up with the approved one later.

Skyler stated that until Phase 1 of the Mountain Regional feasibility study is complete, we won't know if interconnecting to Mountain Regional is a viable option for future water. So we are considering the other prefeasibility study activities of scanning in Well 2 area for underground water potential and interconnection to Wanship Cottages.

Wendee stated that she doesn't think the membership has the appetite to explore other options besides Mountain Regional (e.g., new well).

Jeremy stated that he thinks we should explore other options in case Mountain Regional interconnect ends up not being feasible.

Working meeting for water rate analysis set for Monday November 18th 6:30 pm, location TBD.

~7:55

Budget

Sarah said her budget is useless until water numbers are determined.

Skyler stated we can effectively look at everything except water for now, but the overall water expense item would be set the same regardless of water rate analysis.

Sarah said the SA5 amount was provided by Nachi.

Nachi said SA5 meeting is next week.

Other Misc. Income – Nachi said this is the money we receive for construction deposits, nonrefundable.

USDA mandatory retainer \$14,541.60 – this is a requirement per the loan agreement. We need a years' worth of payments in an account.

- Post-meeting this was corrected to clarify Sarah was probably suggesting to save \$14,541.60 annually. The annual retainer is \$144,540 (12x\$12,045).

USDA repair and maintenance \$9,833.00 – this is a requirement per the loan agreement. Sarah has emailed Kevin twice about this and got no response.

Expenses...

Audit – Sarah said that USDA will let us handle audit

Nachi stated that the deductible for liability insurance is \$2,000. The state mandate is no less than \$10k or deductible, whichever is less.

Ref. Utah Code 57-8a-405 (8) An association shall set aside an amount equal to the amount of the association's property insurance policy deductible or, if the policy deductible exceeds \$10,000, an amount not less than \$10,000.

Sarah ran through other miscellaneous line items.

Construction Deposit Return – Jeremy asked if there should be an income item to offset this since it's not a pure expense. Paul says perhaps this should not be on the budget.

Nachi noted that the USDA funds appear to be accounted for twice (\$144,540, \$155,800). Sarah to look into that.

It was discussed to potentially take out the engineering feasibility study funds from the annual budget and apply as a special assessment.

Candace asked if we have been collecting past-due accounts lately. Sarah doesn't know.

Issues with collecting past dues... There was an issue with us charging 12% interest when Utah allows maximum 10%. PMSI won't make phone calls. PMSI had other red flags. Board needs to decide what to do with these issues and then send out mailers.

MOTION: Candace moved to change the interest rate from 12% annum to 10% annum. John seconded the motion. The motion passed by all present except Jeremy who abstained.

Sarah ran through other budget line items. Sarah stated we should have PMSI break out loans into multiple line items.

~9:00

Membership Comments

Lezlye Zupkus, Lot 248/249

- September minutes not approved, haven't been posted – when do they need to be?
 - o Jeremy – posted once approved, but no strict deadline understood in Utah laws
- Are non-home owners paying the same amount of water dues as home owners?
 - o Nachi – there is the \$100 difference in our annual dues, but homeowners also pay more money into SA5 (effectively taxes that come back to the POA).
- Do the water payments go into a restricted fund? Or put in a general fund.
 - o Water system improvement is in its own fund to pay off the USDA loan for Well 3.
- I would like to see the options for water sources and pros/cons.
- When does a lien go on a past-due account?
 - o July 1st per current procedure.

Mike Bowles, NS-39

- Question on bill – backflow testing, parts and labor – what are the parts and labor? Think a valve got replaced that is now broken?
 - o We go off the report from the backflow inspector. If there is an issue, we can take that to backflow specialists.

Nachi to ask AES about NS-39 broken valve upstream of backflow preventer.

~9:25

Operations Committee

Met last night. Gate technician came out a few weeks ago, same company that worked on it a couple years ago. Waiting on estimates for repairs and motor system. Got quote today – more than what was expecting. \$7,800 for repair, \$8,200 for motor.

Skyler clarified that this is a fast operational gate and the technician was wondering why this technology was ever installed up here.

Nachi noted that the gate can be funded using reserve funds. Per the 2016 reserve analysis, there was \$31,500 allocated to gate repair in 2025. We can replace the gate but can't move location.

Cameras – last week Mike came out to check on cameras – signal is spotty and need to trim more branches. Will be rechecking later this week after trimming. Then will work on board member access to cameras.

Tractor – got keys for it, got estimate for maintenance and assessment (\$1,000), going to compare that to the other estimate. If we can't get it fixed soon to move it to POA property, will haul it.

MOTION: John moved to pay mobile mechanic for basic maintenance and assessing other issues for up to \$2,000. Sarah seconded the motion. The motion passed by all present except Jeremy who abstained.

Reaching out to fire marshal after first of the year.

~9:57

Candace brought up an email motion about changing the rule about tracked equipment to allow rubber tracked equipment. Nachi clarified that there is an exception to the rule if the board provides written exception during the winter.

Discussion about whether to take a vote.

Jeremy clarified that we can't motion to change a rule per Utah Code 57-8a-217 without giving notice. See excerpt below.

- (2) Except as provided in Subsection (3), before adopting, amending, modifying, canceling, limiting, creating exceptions to, or expanding the rules of the association, the board shall:
- (a) at least 15 days before the board will meet to consider a change to a rule or design criterion, deliver notice to lot owners, as provided in Section [57-8a-214](#), that the board is considering a change to a rule or design criterion;
 - (b) provide an open forum at the board meeting giving lot owners an opportunity to be heard at the board meeting before the board takes action under Subsection (1)(a); and
 - (c) deliver a copy of the change in the rules or design criteria approved by the board to the lot owners as provided in Section [57-8a-214](#) within 15 days after the date of the board meeting.

Ref. <https://le.utah.gov/xcode/Title57/Chapter8a/57-8a-S217.html>

Nachi noted that we need to do a better job of communicating with the membership that tracked equipment can be used on roads if they get written permission from the board.

~10:13

---Transition Open to Close---

[CLOSED PORTION OF MEETING]

(Jeremy left the meeting and assembled the remaining minutes based on review of the audio recording)

Non-Compliance - Trailers

MOTION: Wendee moved to hear Greg's side. No second.

Recording time ~4:02 (10:45 pm)

Submitted By: Jeremy Boeckmann

Attachments:

1. Paul's Recommended Water Rates

November 11, 2024

From: Keith Batty-Whitney and Paul Strader

Subject: Narrative explanation for LRE water rates

The purpose of this analysis is to determine the rate for water per gallon, and the monthly fee that should be charged to all lot owners in Lake Rockport Estates (LRE) or owners that benefit from the water system in the LRE area. The attached spreadsheet uses numbers that have been derived from financial statements, budgets, and information provided by board members.

Discussion in the development of these final numbers revolved around who benefits from the existing and developing water system and who uses water in LRE. It was determined that any lot owner, regardless of having a water meter, benefits from the existing infrastructure. Therefore, every property owner has a financial responsibility to pay for a portion of the infrastructure. It was also determined that property owners with meters should pay for the infrastructure and actual consumption of water. To develop a final recommendation for going forward this team determined there were three types of costs associated with the LRE water system.

There are fixed costs, semi-fixed operational costs, and variable costs.

Fixed costs are what LRE pays for interest expense on previous capital expenditures. See item 6 on the spreadsheet (Total Fixed Cost) \$44,188.

Semi-fixed operational costs are the cost for electricity to run the pumps for the water system. See item 2 on the spreadsheet \$13,163.55.

Variable costs are what LRE pays for water system maintenance that is mostly provided by Aqua Environmental Services, however, maintenance can include repairs to broken water lines and other parts of the LRE water infrastructure. See items 3 and 4 on the spreadsheet, \$83,564.62 and \$17,900.00. These items total \$101,464.62, see item 5 on the spreadsheet.

If you follow the spreadsheet to the bottom and find item 10 and 10a, you will find the annual base charge amount for water that lot owners should be paying for the water system.

All lot owners should pay \$174.85 annually for water system fixed, and semi-fixed operational costs. See item 10a on the spreadsheet.

Lot owners who have a water meter should pay for each gallon of water consumed. This rate per gallon of water is \$0.0413. See item 8a on the spreadsheet.

Recommendation: Provide documentation to the membership about the impending change in how water will be billed effective 1/1/2025. In the documentation, clearly explain what has been removed from historical billings and the reasoning behind the change. In this recommendation there will be one rate for each gallon of water consumed at this time.

These base amounts and amounts per gallon are in addition to any other association fees that LRE determines as necessary to recover based on the approved annual budget.

Going forward into 2025 billing annual billing statements will have the following charges.

Annual Dues Amount	\$ 1,048.12
Water System Improvements	\$ 475.00
Water System Costs	\$ 175.00
For 2025 Special Assessment	\$ 411.77
Total Annual Cost for Lot Owners	\$ 2,109.89

All property owners who have a water meter and consume water will pay \$0.0413 per gallon consumed.

The \$100.00 annual meter assessment is removed from the billing and is included in the rate per gallon.

There will not be a tiered system of billing for water consumption in this first year. However, this team has discussed reviewing the possibility of a tiered water consumption billing method in the future if sufficient time and sufficient data is available to so. There will no longer be 10,000 of free water for owners who have water meters. Any lot owner that has a water meter will pay approximately \$66.00 to have their back flow tested annually.