

Silver Fork Pipeline Corporation
Minutes of the Annual Shareholders Meeting
Monday, May 7, 2007

The Annual Meeting of the stockholders of the Silver Fork Pipeline Corporation was held at the Whitmore Library Auditorium, 2197 East Fort Union Boulevard, Salt Lake City, Utah on May 7, 2007 at 7 p.m. pursuant to a call by the Board of Directors and written notice dated March 31, 2007.

Pursuant to provisions of the By-laws, Mr. Dan Knopp, President of the Corporation, presided over the meeting, assisted by Heather Schmidt, Secretary of the Corporation, and Tammy Lanouette, former Secretary.

A full, true and complete alphabetic list of all stockholders entitled to vote at the ensuing election, with residence of each, and the number of shares held by each was available before the meeting and remained open for inspection during the entire meeting. The Secretary ascertained that a quorum was present.

Consumer Confidence Report: Phil Lanouette presented the CCR and noted that there were no system violations in 2006. The report is required by the EPA and insures that our water meets all federal and state requirements. A printed copy of the report was made available to shareholders.

Financial Report: Dan Knopp noted that the 2006 financial statement included in the mailing allows about \$65,000 for a project this year. There were no questions and it was filed for audit. He then introduced Barbara Cameron who reported on the Internal Control Assessment for fiscal year 2005 at a cost of \$2500, pursuant to a request by several shareholders that corporation finances be analyzed. The conclusion of the audit is that the SFPC is in excellent financial condition. Such a survey is designed to protect assets, prevent theft and assure that reports are done correctly. Suggestions included: 1) the board should re-authorize the check signers each year. 2) SFPC should purchase a lockbox in case there are cash payments. 3) Invoices should be stamped with a dated PAID stamp to avoid duplicate payments. 5) Timesheets should be submitted that include date, type of service, and time spent. All of the suggested procedures have been implemented.

Watermaster's Report: Steve McIntosh reported that from January 1, 2006 to January 1, 2007 there were 46,064,000 gallons that passed through the mine tunnel meter, 1.5% more than in 2006. Of that amount 18,391,000 gallons entered the distribution system at the Church Road meter, a 17% decrease from 2006. The remainder was overflow. The highest inflow to the system was 217 gpm, and the lowest was 48 gpm. This past winter Low flow was 50.6 gpm. The highest community usage was 48.79 gpm during January 2006, due to a leak. The lowest community usage was 11.3 gpm just after Memorial Day. The average community usage was 30.22 gpm. Overflow continues to go from 3 gpm on the weekends to an average of 4 gpm during the week. There were no water quality violations in 2006. Monthly bacteria tests and nitrates are sampled each year. Asbestos tests, required by law every 9 years, were run in 2006. No asbestos was detected. The Volatile Organics test will be done in 2007. There are currently 8 bleeders that are run at 13.5 gpm during the winter, which represents 1/3 of the system's water that is going into the ground. Bleeders should be eliminated as much as possible. Steve noted that the Silver Fork Pipeline Corporation is responsible for the maintenance of mainline pipe only. Each shareholder is responsible for their service line from the corporation stop to their cabin. We had 15 freeze-ups on service lines this winter, and a pipe break in Dunnyon Dell due to a valve gasket failure on March 12. He urged shareholders to insure that their service line is deep enough and insulated if necessary, and then thanked everyone who shoveled out fire hydrants this last winter. *Question:* What if the mainline pipe is not deep enough? *Answer:* We have tried to insure that the mainline is deep enough, although we cannot be sure if older mainline pipe is deep enough. Replacement would be costly. Shareholders are encouraged to insulate if they suspect their service line is not deep enough at the corporation stop.

Question: I had to replace my service line this year because the mainline is not deep enough at my connection if the road is plowed. *Answer:* It might not be deep enough. We don't know what has been done in the past, and we don't know where it was frozen. We have been watching new construction closely to insure at least 6 ft. deep installation. We have to assume the roads will be plowed from now on, so all service lines should be deep as well.

Elections: The President stated, "The purpose of the meeting is to elect three Directors, and to conduct any other business to properly come before the Shareholders." The Secretary has ascertained that we have a quorum, including 62 shareholders present tonight and 94 proxies. The Directors whose terms expire with this meeting are Patrick Eibs, Dan Knopp, and Phil Lanouette. The slate of incumbents was presented by President Knopp, who then opened the floor to further nominations. Nominees from proxies included Walt Shyluk, Gwen Howells, Jerrolyn Monico, and Dean Roberts. All declined the nomination. Nominations were closed and voting was conducted from the slate as presented. Ballots were then collected to be tabulated.

Minutes: Sandy Anderson moved to approve the Minutes of the May 15, 2006 Annual Meeting, seconded by Tom Loken. Minutes were approved as printed by voice vote of shareholders.

President's Report: Dan Knopp presented the system status report. A new 6" line was buried across the creek at Honeycomb Road into the Silver Glade Subdivision. The 1500 ft. of water pipe (and sewer pipe) was paid for by Ed Pauls. The road is not finished, but will be finished this year. Also this year the pathway between Dunyon Dell and Silver Fork will be dug up and water (and sewer) pipes will connect the Dunyon Dell pipelines to the Silver Fork pipelines. The sewer company will put in a pump station this summer. We also plan to install a reach of pipe from near Walt Shyluk's cabin to the south side of the creek in Dunyon Dell. A project being planned and paid for by Jim Ogilvie this summer is the expansion and improvement of his service line in Dunyon Dell. This will eliminate a bleeder. We may have enough money to replace old pipe on the north side, but we will have to see how the finances go. We should consider installing pressure reducing valves at some point. *Question:* Are any of the construction projects put up for bid? *Answer:* We try to get 2-3 bids, but usually the Neilsons are the only company that responds. Most others are hesitant to dig in this area. The Neilsons have done good work for us, and have worked with Steve McIntosh to make sure installation meets our regulations. *Question:* Is there a pipeline map so we can see where our pipelines are located? We can't find our service line connection following the recent pipeline installation. *Answer:* We have maps, but they may not be accurate for the older pipelines. Steve has been marking all service connections with PVC pipe and metal tags. He will help locate your service connection.

Election Results: The President declared Phil Lanouette (155 votes), Patrick Eibs (146 votes), and Dan Knopp (144 votes) as duly elected Directors of the Corporation to serve for a term of two years until 2009. (Tom Loken received 3 votes, Mike Conway received 1 vote.) As promised in the mailer, an annual assessment waiver for one water share was drawn. The winner of the random drawing was Tom Loken, who will have the \$200 annual assessment waived for the 2007 calendar year. The purpose of the drawing is to encourage shareholders to attend or send a proxy to the annual meeting (the winner need not be present to win). The cost required for a second meeting is more than that for one annual assessment.

The meeting was adjourned at 7:50 p.m.

Submitted by Barbara Cameron