

Silver Fork Pipeline Corporation
Minutes of the Annual Shareholders Meeting
Monday, May 7, 2012

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, 2012 at 7:05 p.m. pursuant to a call by the Board of Directors and written notice dated March 31, 2011.

Pursuant to provisions of the By-laws, Mr. Dan Knopp, President of the Corporation, presided over the meeting, assisted by Jolene Despain, Secretary of the Corporation, and Melanie Lees.

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. Fifty-six shareholders were present; 96 proxies were submitted; the required quorum was attained with 152 votes.

Consumer Confidence Report: (7:10 p.m.) Dan Knopp presented the CCR and noted that there were no system violations in 2011. 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.

Water Master's Report: (7:15 p.m.) Steve McIntosh presented the Water Master's report. The total gallons that passed through the mine tunnel meter: 33,531,000 gallons. This does not include the July runoff. Because of the extraordinary winter runoff, the overflow filled up and water began to come out around the top of the tank which is located near Solitude's Eagle Express lift. It was discovered that the Overflow Unit was plugged with aspen roots. It was replaced. The highest inflow: 260 gpm the week of July 13, 2011 (fast and furious). The lowest: 44.73 gpm the week of May 11, 2011. The highest community usage: 53.93 gpm the week of July 6, 2011 (due to a leak). The lowest community usage: 8.86 gpm the week of May 18, 2011. The average winter usage: 16.20 gpm. There were 10 houses that froze due to unintended adjustment of mainline valves by neighbors. Temporary hoses were connected to bleeders to provide water service to those homes. It's important to notify Steve in the case of freeze-ups or bleeders. The SFPC now has only 5 company bleeders, down from 15. It's also extremely important to notify Steve if there is construction near water lines. Any waterline contamination could require SFPC to put in a chlorination system.

Q: (Bill Hoggan) *Do we have enough water to allow for sewer expansion in Southside Silver Fork?*

A: (Steve) Yes, we do. There are 260 existing watershares. 230 are in use. 125 are winter water users. Based on historical data, SFPC would have sufficient water to handle increased community demand due to sewer usage.

Elections: (7:45 p.m.) The President stated that four Directors are to be elected at this meeting. Incumbents Scott Benson, Barbara Cameron, Kurt Slaughter, have all agreed to stand for re-election. Nominations from the floor included: Peter Merges, Brian Martain, Melanie Lees, and Bruce Engelhard. The vote was taken.

Minutes: (8 p.m.) There being no corrections or additions to the Minutes of May 2, 2011, they stand approved as circulated.

Financials: Income: \$79,794.55; Expense \$75,155.12; Assets: \$541,293.69; Current Bank Balance: \$43,000.

President's Report: (8:01 p.m.) Dan Knopp reported that the 1000 ft pipeline along Mule Hollow Lane is complete (\$70,000). It was the rockiest project in our history. The last major project will be the 1500 ft. completion of the Mule Hollow Lane line, probably next year. Repair of a section of mainline near Avis and Jim Light's home, and a pipe near the snowboard shop are also needed. We will require some pressure reducers and replacement of the company shed in the future. In addition, SLC Public Utilities raised our water costs from \$1500/year to \$11,500/year. It might have been \$30,000, but our original contract doesn't allow an increase of fees for about 2/3 of our users. There will be no raise in fees because we are nearing the end of our major projects. Because we prefer to avoid borrowing money, these projects will take about 5 years to complete. The HDPE pipe we are using will last for 50+ years, although we may need to replace older, pre-HDPE pipe.

Q: (Bill Hoggan) *What can be done about illegal landscape watering? Do we allow sprinkler systems?*

A: (Dan) Since we don't have a shortage of water we have not penalized those who water their yards. SLC Public Utilities doesn't allow lawns because of fertilizer and pesticide contamination. We absolutely do not permit sprinkler systems. We all need to conserve while being considerate of neighbors. The neighbor mentioned is new and needs to establish his yard. If we have further problems we will notify him.

Election results: Benson (108 votes), Cameron (110), Slaughter (99), Merges (50), Martain (30), Lees (15), Engelhard (6). Nick Baretta drew the Free Water Ticket. Jim Halladay won the \$200 annual water assessment waiver for 2012.

Adjourn: The meeting was adjourned at 8:25 p.m.

Submitted by Barbara Cameron