

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, OCTOBER 13, 2005

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick–President, Eric Anderson-Vice-President, Cal Cragun, Dan Heath–Board Members

David Hale was not present.

Ex Officio: Brody Blonquist–Water System Manager

1. Approval of Minutes

MOTION: Eric Cylvick moved to APPROVE the minutes of the November 4, 2004 annual meeting and the minutes of December 21, 2004. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

1. Financial report

Eric Cylvick reviewed the profit and loss/budget versus actual statement. He had planned on getting annexations and asked if they still anticipated getting one. Mr. Heath stated that Tom Brodrick has indicated that he is still waiting for information on what is needed. Mr. Cylvick asked Mr. Heath to contact Carol and expedite the process. Mr. Cragun presented a draft he had prepared as a way to flag and track the assignments such as the one just given to Mr. Heath. Mr. Cylvick noted that once they get the annexation fee they will be over budget and in the black by over \$100,000 for the year. He believed he was accurate on the amount budgeted for the backhoe. He had not yet received the bill for the facility improvements and anticipated that they would be over budget. Mr. Cylvick stated that he was off by \$5,000 on the insurance budget. He was under budget by \$6,000 for Cole. Mr. Blonquist noted that Mr. Cylvick had based the budget on Cole working through October. Mr. Cylvick noted that they were over \$2.04 on travel. He pointed out that they have not funded the water shares. Mr. Cylvick remarked that they are under budget on water system improvements and repair maintenance. Mr. Heath asked if they must zero out at the end of the year and spend all the money. Mr. Cylvick replied that they are allowed to have capital reserve funds that can be set aside. Mr. Cylvick was sure he had budgeted for capital reserve, as well as a legal reserve fund for legal fees, and neither were shown on the statement.

MOTION: Mr. Anderson moved to APPROVE the profit and loss report. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick noted that \$5,000 was budgeted for legal reserve and \$20,000 for the capital reserve or the restricted fund balance and asked Carol to include those in the profit

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and loss/budgeted versus actual report. He asked her to email or call him to let him know if there is a reason why it was not included.

MOTION: Eric Cylvick moved to APPROVE the balance sheet. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

1. **Unpaid Bills**

Brody Blonquist reviewed the unpaid bills. The bill from Geary Construction is for 3" minus and road base. He is still trying to reach Half Day Dave's Trucking to get the credit. He and Carol have both tried unsuccessfully. The bill from KGC Associates is Carol's bill. Komatsu Equipment is for filters he purchased. Mountain Wireless is for the internet and Plumbers Supply is for parts. Rx Gold is the prescription program for Mr. Blonquist that was approved by the Board. The bill from Sinclair is for fuel. The bill from Summit County is for samples. Whitehouse and Company is for tax preparation.

MOTION: Eric Cylvick moved to APPROVE the unpaid bills for a total of \$5,104.34. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

1. **Public Comment**

Jeff Jensen came to the Board meeting this evening to see if he could resolve his water bill. He thought he had received an adjustment and paid half on last year's bill. He asked Karen for a pending balance and she told him he owed \$6,000. Mr. Jensen noted that he has paid approximately \$3700 on that bill as well as this year's water bill. Mr. Cylvick offered to research the matter and contact Mr. Jensen.

Mr. Cylvick reported that the Board discussed a retirement gift for Karen McLaws at a previous meeting. She is going on a mission and Carol suggested that money might be a better gift. He was giving her a check for \$250. The Board members signed a card for Karen.

The Board members reviewed the checks Carol had sent for signatures.

1. **Manager's Report**

Mr. Blonquist reported that he is caught up on the water meter installs with the exception of two. On those two, he has spoken with the owners several times and they will not mark where they want the meters placed. At this point, those two installs will have to wait until next year. Mr. Blonquist stated that the siding on the office is finished. Regarding the water shed, he noted that Dave was supposed to get a letter. Mr. Cylvick asked Mr. Blonquist to contact Dave because they need that letter for the loan. Mr. Blonquist stated that he has started reading meters and the Pine Meadows side is nearly done. If people complain about not having water, they should tell them to check their meter because it has probably been shut off for the winter. Mr. Blonquist reported that one person ran close to 80,000 gallons through his water meter and he has no idea where it is leaking. Mr. Blonquist is trying to track the problem. The heat is completed in the shed. The rack should be done within a week and a half and tin is coming for the roof.

Mr. Cylvick stated that Mr. Blonquist was bumped into a higher tax bracket with his approved increase. Mr. Blonquist noted that he lost \$160 per month from his paycheck when they added the vehicle reimbursement. Mr. Anderson suggested that if Mr. Blonquist increases his retirement amount that should put him back to the lower tax bracket. Mr. Cylvick remarked that if a solution cannot be found they should do whatever is necessary to put him back in the lower tax bracket.

Mr. Cylvick reported on an incident that happened late one evening with an owner who was complaining about not having water. She was unaware that Mr. Blonquist had fixed the problem and threatened to sue the Water Company. Mr. Blonquist drove up there in the middle of the night to handle the situation. They intend to bill this owner \$150. Mr. Cylvick wondered if the Board should consider an after hours rate. Mr. Cragun remarked that typically most places charge double time for after hours work. Mr. Blonquist noted that the bylaws address different charges for different types of work. Mr. Cylvick will look at the bylaws to see if it addresses after hour charges.

1. **Open Discussion**

The Board discussed the draft for tracking assignments that Mr. Cragun presented earlier this evening. Mr. Cragun stated that he prepared this draft at the request of Mr. Cylvick in an effort to follow up on assignments to make sure they do not fall through the cracks. The sheet contains the name, the lot number, the subject, name of person to follow up, the date, action taken, completion date, and additional follow up, if needed. Mr. Anderson suggested that they combine the assignments on to one sheet and keep the sheet posted there. Mr. Cylvick thought they should each write their name at the top of one sheet and clip the sheets together. Mr. Anderson felt it was better to have one log for everything for easy reference. If a Board member completes a sheet, the information can be transferred on to the main log. Mr. Cylvick asked Mr. Anderson if he would be responsible for transferring the information. Mr. Anderson noted that they had also talked about two letters and a date stamp. As soon as they receive a letter Carol will stamp it with the date received. A letter will be sent to the sender stating that the Board has received the correspondence and it will be addressed at the next meeting. A second follow up letter will be sent to let that person know the name of the person handling their situation and that they should hear from him within two weeks. Mr. Anderson asked Carol to send a letter to Eugene R. Cook, Lot D71 to let him know that the Board received his letter dated October 12, 2005 and that the meters are currently being read and they will contact him once they figure out his overage. Mr. Eric wrote this on the log so they will remember to address it.

Mr. Cylvick remarked that a notice of unpaid assessments should also be included on the log. He thought Ted Barnes, the attorney, had approved these without having to deal with Karen, however Carol sent Ted a letter asking about the threshold for overdue balances. He will follow up with Mr. Barnes to make sure it is a legal document. Mr. Cylvick let Carol know that the threshold is one year of unpaid assessments before placing a notice with the County. Two full years of unpaid assessments are sent to the collection agency.

Mr. Cylvick stated that he is having Mr. Blonquist analyze how much money they spent with Dan Paulson. Since having the backhoe has saved them money, he would like to look at whether there is a cost savings for hiring another full time person as a heavy equipment operator for projects. This would be contingent on obtaining the loan. Mr. Cylvick will do the cost analysis on hiring a seasonal worker and a full-time person. He outlined the advantages of having another full-time person if it can be economically supported.

Mr. Cylvick referred to the survey noting that 30% are in the \$20,000 to \$40,000 range and he believed that was fairly accurate. He had met with Steve Anesco, the engineer, the head engineer, and Merrick Fisher with the Division of Drinking Water yesterday. Mr. Cylvick stated that they qualify for the loan and they are highly rated. However, one of the water districts in Salt Lake has a huge arsenic problem and they have asked for a \$14 million loan. Mr. Cylvick did not think the Water Company would get the \$3 million he applied for and hoped they would be granted the \$2 million needed for their projects. He had outlined their assets and assured method for repayment to the engineers and Ms. Fisher. He clarified that they were asking for a loan and not a grant and that the money would be paid back with interest. Mr. Cylvick will be gone most of next month and before he leaves he would like to show the engineer around the Ranch so he can see what has been done and the improvements they have made. Mr. Blonquist will contact him to schedule a time. Mr. Blonquist noted that the engineer still thinks that Pine Meadows is an agricultural ranch and that is why he is questioning some things on their application.

Mr. Cylvick stated that he still needed to call Scott Boyle to let him know that the Board will not reduce his rate.

Mr. Cylvick asked Mr. Blonquist if there was ever a solution for the woman on Salt Box. Mr. Blonquist replied that it was not resolved and he was unsure why she is still without water. He has checked everything and cannot find the problem. It started happening after they put in the new line at A Plat.

Mr. Cylvick asked about the website. Mr. Anderson stated that George needs to know what bullet points they want across the top and how they want the web page designed. He will email Mr. Cylvick the web site and if he would like Mr. Anderson to choose the topics he will go over it with George. Mr. Anderson noted that the points covered over the past few meetings will be included. Mr. Cylvick asked Mr. Anderson to put something together and if the Board wants to make changes they can improve on it.

Mr. Cragun stated that he returned the contract from Now Recovery and asked about the status of the addendum. Carol had suggested that the money come back to the Board first so they can keep a record. If it goes to Now Recovery first, there is no way to track when it was paid. Mr. Cragun noted that this was the procedure when they first started with Now Recovery and he was unsure when that process was changed. Mr. Anderson stated that he spoke with Carol after the last meeting and she was going to get with Now Recovery on that matter. Carol was asked to follow up on this item.

Mr. Cragun noted that Karen has been trying to contact Deputy County Attorney, Jamie Brackin, regarding the two properties; Pine Meadows D41A and Forest Meadow, D165b. In conversations, with Carol, the only time she was able to contact Ms. Brackin she understood that it was never recorded or it was assigned back to Pine Meadows. Mr. Cragun felt that they should continue to try to reach Ms. Brackin. Mr. Heath suggested that they spend the money and he will have it searched through a Title Company. Mr. Cragun suggested that they also find the names of the property owners around these lots to see anyone is interested in purchasing the lots.

Mr. Anderson returned to the Now Recovery issue and clarified that the contract states that Now Recovery would collect the money, take their portion, and pay Pine Meadows. The addendum to the contract would be to have Now Recovery pay them first and bill for their portion. Mr. Cragun stated that this was correct and the reason is for record keeping purposes.

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Mr. Cragun stated that Kip Gunther, the person he mentioned had attacked the gentleman on church property, does not own any property recorded under that name. He was unsure why Mr. Gunther was up there claiming that he owns property. Mr. Cragun will try to find additional information and an address from the complaint that was logged to see if he can track down this individual.

The annual meeting is scheduled for November 3. The next Board meeting is scheduled for October 27.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:45 p.m.

Minutes Approved

Date