

PINE MEADOW MUTUAL WATER COMPANY

ANNUAL MEETING AND
BOARD OF TRUSTEES MEETING

THURSDAY, JANUARY 11 , 2007

TERRA NOVA
SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick–President, Dan Heath, Bill George - Board Members.

Cal Cragun and Eric Anderson were excused.

Ex Officio: Brody Blonquist, Trevor Townsend

President Eric Cylvick called the meeting to order at 6:50 p.m.

MINUTES

Dan Heath needed to abstain from voting on the minutes since he had not attended the last meeting. Therefore, the Board did not have a quorum and tabled approval until the next meeting.

Financials

Eric Cylvick reviewed the profit and loss/budget versus actual. He noted that 42% of the assessments have been collected. They were 151% over what was budgeted for excess water assessments for 2006 and 56% over for 2005. Mr. Cylvick referred to the last page of the profit and loss statement which showed other income and expenses.

MOTION: Eric Cylvick moved to APPROVE the Profit and Loss/Budget versus Actual. Bill George seconded the motion.

Mr. Cylvick reviewed the balance sheet, noting that there was nearly \$100,000 in the checking account and \$328,000 in the money market account. The \$16,000 escrow and the Brighton Bank escrow in the amount of \$345,000 are for the loan. Mr. Cylvick stated that he would talk to Brighton Bank about putting the money in a higher yield account until the projects begin. He referred to the January 11, 2007 balance sheet and explained that the \$2.1 million includes the escrow amounts. To date, they have spent approximately \$1.6 million.

Mr. Cylvick noted that they are over budget on building and equipment repairs by \$1,000. They are on budget with the restricted fund balance. No money was spent on travel and

entertainment. Utilities are on budget. They are over budget on vehicle maintenance. Mr. Cylvick felt they had stayed close to budget on most of the line items. He noted that the items on the bottom of page 2 pertained to the loan. Equipment repairs, seasonal employment and water system improvements totaled \$1.6 million. All the parts have been purchased except for the elbows and he expects to spend another \$1 million to finish the project. After talking with Mr. Blonquist and Mr. Townsend they decided to purchase all the steel and cast iron joints for Forest Meadows and other places now so they can begin replacing all the valves and joints once the project is completed. Mr. Cylvick stated that he spoke with the Division of Drinking Water and they are able to use the money on other projects that need to be done. Mr. Blonquist remarked that the PRVs in Forest Meadows are a bigger problem than the joints. Mr. Cylvick asked Mr. Blonquist to put together a list of all places where the PRVs need to be replaced so they can get a price.

MOTION: Eric Cylvick moved to APPROVE the balance sheet for January 11, 2007.

Unpaid Bills

Mr. Blonquist reviewed the unpaid bills. The bill from Coalville Auto and Farm Supply was for miscellaneous items. The bill from Ferguson Enterprise was for Rich's line. Half Day Dave's Trucking will be paid by the end of the year. J & R Development is for work on the tank. KGC Associates was Carol's bill. The bill from Komatsu Equipment was for service work. Mobile Mini was for the storage unit. Rocky Mountain Power was the monthly bill. Sinclair Fleet was for fuel. The Public Health Department bill was for samples. The bill from Utah Broadband was for the internet. The bill from Utah Local Government Trusts was for workman's compensation. Verizon Wireless was a monthly charge.

MOTION: Eric Cylvick moved to pay the unpaid bills as of January 11, 2007. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick wanted to know why the Rocky Mountain Power bill was so low. Mr. Blonquist stated that there is less pumping during the winter. He noted that it takes two hours to fill the tanks as opposed to five or six hours. It only took a day to drain the tanks at Forest Meadows and only 9 hours to fill them. Mr. Cylvick asked Mr. Blonquist to email him the trend on how long it took to fill the tank and what gallons. He noted that if they filled the tank to 60,000 gallons in 9 hours that would mean they are pumping 110 gallons per minutes.

Manager's Report

Mr. Blonquist reported that the water leak on Forest Meadows was fixed and it was good public relations for the people on Forest Meadows. Mr. Cylvick remarked that it is the first time in the history of the Water Company that a leak was fixed at Forest Meadows during the winter. Mr. Blonquist stated that it was possible because the Water Company has its own employees and equipment to do the work.

Mr. Blonquist stated that he received notice a few days ago that the people on Elk Road are running out of water. He assumed the lines were frozen because the tanks are full. Unfortunately, there is nothing the Water Company can do. Aspen Ridge has already run out of water. He noted that the 3/4" line they had run to Rich's had frozen; however they solved the problem by filling his tanks with garden hoses. The Water Company was obligated to help Rich because his property is next to the construction site and his lines were dug up. Rich will call Mr. Blonquist when he is low on water and they will fill the tanks again.

Mr. Blonquist felt the Water Company should put some type of valve on the tanks so a large break will not drain the tanks. Mr. Heath asked if that could be set up on the computer. Mr. Blonquist replied that it could. His first thought was a pressure valve but fire flow is a problem with pressure valves. He is looking at a float valve that can be set to shut off at a certain level. This will protect the water pressure in the event of a fire. If a brush fire occurs, you can manually override the setting to use all the water in the tank. He is working with Delco Western and the engineer. Mr. Blonquist suggested that they put a valve on the 200,000 gallon tank as well as the new tank.

New Business

Mr. Cylvick read a note from Carol asking for the Board's decision regarding 19,120 gallons of water usage that Gaylene Woodruff is disputing.

Mr. Blonquist stated that he has spoken with these people several times. Their water was off from July 10 to October and they were questioning how they could have used 19,120 gallons of water. Mr. Blonquist explained that he goes off the meter readings. Mr. Cylvick remarked that Pine Meadow is a transient non-community water system and the purpose of the assessment is to raise funds to maintain and improve the water system. They do not guarantee anyone water at any time. That will all change once they become a community water system but at this stage the bylaws require her to pay this amount.

Mr. Cylvick informed Carol that Gaylene Woodruff needed to pay the \$114.36 extra for excess water usage.

Mr. Cylvick read a note from Carol regarding a one-time reduction for Jill Fortuna due to a water leak. Ms. Fortuna had submitted a paid invoice for an expense she incurred for clean up and repair. Mr. Cylvick noted that the plumbing bill was \$588.

MOTION: Eric Cylvick moved to grant Jill Fortuna, PI-D-64 Elk Road, a one-time reduction on her bill, provided that she was not given one previously. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick read a note from Carol regarding Randy Fitts. Mr. Fitts had submitted the paperwork requested at the last meeting explaining the leak he found. His letter requests leniency towards interest charges. He would like to make a timely payment. His total charge is \$3300 and he has paid \$1200 to date.

Mr. Cylvick recalled that the leak came from the hydrant. He was not interested in giving a break on the interest payments. The Board agreed. Mr. Cylvick asked Carol to inform Mr. Fitts that he needs to pay his total charges of \$3,318.

Mr. Cylvick read a note from Carol regarding P-I-18, Scott Boyle, who was requesting credit for no water on I-Plat. Mr. Boyle requested a reduction from \$491 to \$322 until the problem is resolved. Mr. Heath pointed out that Mr. Boyle wants to pay a standby fee.

Mr. Cylvick reiterated that Pine Meadow is a transient non-community water system and everyone needs to do their part regardless of whether or not you have water. Mr. Cylvick informed Carol that the Board is standing by their previous decision that Mr. Boyle needs to pay the connection fee of \$491.

Mr. Cylvick read a note from Carol regarding P-I-F-58, Steve Treseder, who was protesting having to pay \$491 when the water is not available. He was also concerned with the manner of noticing construction. Mr. Blonquist noted that Mr. Treseder is on Uinta View and water was limited during construction. Mr. Cylvick felt the answer about being part of a non-community system applied to Mr. Treseder. He asked Carol to inform Mr. Treseder of their decision.

Mr. Heath mentioned the issue of noticing construction. Mr. Blonquist suggested that they send a postcard letting people know that their water will be shut off during construction; however they will still be responsible for paying their full water bill. Mr. Cylvick stated that he would work with Carol to formulate new language for the website.

Mr. Blonquist stated that the annual conference in St. George is February 26-March 2. He and Trevor plan to attend and Trevor will get certified while he is there. Mr. Blonquist has booked the hotel but still needs to send in their registration.

Mr. Cylvick clarified that Mr. Blonquist will gather numbers and check the liability on the float valve for the tanks. He would like to do whatever is the standard operating procedure. He asked Mr. Blonquist to gather the data and put it on excel. This will give him an idea of the cost.

Mr. George stated that he will continue to notify Carol of the time and place where they hold their meeting.

The next meeting will be February 8, 2007 at Terra Nova.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:50 p.m.

Minutes Approved

Date