

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 14, 2007

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Eric Anderson - Vice-President; Dan Heath, Bill George - Board members

Cal Cragun was not present

Ex Officio: Brody Blonquist–Water System Manager; Trevor Townsend

President Eric Cylvick called the meeting to order at 6:40 p.m.

1. Minutes

MOTION: Eric Cylvick moved to APPROVE the minutes of May 24, 2007. Bill George seconded the motion.

VOTE: The motion passed unanimously.

2. Financials

Eric Cylvick reviewed the profit and loss/budget versus actual. They have collected approximately 84% of the assessments and that number includes all previous years. Mr. Cylvick stated that they did well with the 2006 assessments but only received 24% of what was budgeted for 2007. The impact fees were at \$21,000 but that was still down from budget. Mr. Cylvick stated that they still need \$100,000 additional income to meet budget and he expected to come close to that number.

Eric Anderson entered the meeting.

Mr. Cylvick reviewed the expenses. The Workman's Compensation Insurance was significantly over budget. The property taxes had doubled over what was anticipated. He noted that office supplies were over budget because they had purchased a computer. Total operating expense is 28.7%. Bill George asked if Pine Meadow had been notified about the increase in property taxes. Mr. Cylvick did not remember receiving a notice. He had budgeted the same as last year and was unsure if the increase was due to increased property values or a change in the tax rate. Dan Heath understood that the County was just catching up to the increased prices in Summit County. He did not think they would see another increase of that size in the future.

Eric Cylvick moved to APPROVE the profit and loss/budget versus actual. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick reviewed the balance sheet and the comparison to this time last year. He noted that the water system was previously valued at \$2,095,000.00 and now it is \$3,888,000.

MOTION: Eric Cylvick made a motion to APPROVE the balance sheet. Bill George seconded the motion.

VOTE: The motion passed unanimously.

3. Unpaid Bills

MOTION: Eric Cylvick made a motion to APPROVE the unpaid bills dated June 14, 2007 in the amount of \$45,196.62. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Eric Cylvick made a motion pay J.E. Excavating Inc. \$24,060.00 for equipment and labor and \$14,535.00 for trucking. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

4. Manager Report

Brody Blonquist explained how he had wrecked the truck and trailer. The truck is fixed and back in working order. Mr. Blonquist stated that he had used the credit card to pay the \$500 deductible. Kip will come up and build a new box for the trailer. Mr. Cylvick felt they should make a list of documented routes where they cannot take the trailer. Mr. Blonquist thought loose gravel had caused the accident. Mr. Anderson suggested that Mr. Blonquist document the accident for the files. Mr. Blonquist stated that he had called Eric Cylvick immediately and asked if he should get drug tested in case the accident was questioned by the insurance company. Mr. Anderson felt they should set a policy for drug testing following any type of accident in the future, just to avoid potential problems or questions. Mr. Blonquist asked if he should start random drug tests for all employees. He believed that drug testing reduces the cost of Workman's Compensation Insurance. Mr. Cylvick felt they should talk to Cal Cragun before making a decision.

Mr. Blonquist reported that the pipeline install is going great. Trevor Townsend completed Navajo Drive and they put in all the PRV's today. They should have the water back on tomorrow. Jed completed Heather Lane and is now working on Aspen View and moving along quickly. He noted that they went past Aspen View Circle and stubbed down and put a valve on to try to get water to those at the bottom as soon as possible. Mr. Blonquist remarked that they are close to turning the water on for Alexander Canyon. Trevor started Elk Road today. Once again they are going to try to take the PRV out on the first bend off of Pine Meadow Road to see if they can get water from Pine Meadow Drive. Mr. Blonquist explained how they plan to provide water up Elk Road in stages. They will do 1500 foot sections and everyone within that section will be out of water for approximately two weeks. He was unsure if their plan would work but felt that it was worth a try.

Mr. Blonquist stated that the tank is moving along. The lid has been poured and they need to wait a week before they can pull out the shoring. A stress test will be done before the shoring is pulled out to make sure the lid does not collapse. The tank will be cleaned, they will add two feet of water and a certain percentage of chlorine so when the tank is filled the water will have the exact percentage of chlorine. Mr. Blonquist stated that the 500,000 gallon tank will only be filled from Tollgate and Bob Cat. Uncle Tom's will always fill the 62,000 gallon tank. This will insure that they never run out of water.

Mr. Blonquist asked if the Board was interested in raising the fees for the trackhoe and the backhoe because of the increasing fuel prices. He noted that all of the construction companies have raised their prices by \$20 per hour to cover the cost of fuel. He pointed out that the State reimburses Pine Meadow for their hourly rate. Mr. Cylvick asked Mr. Blonquist to make sure the increase is comparable to what others are charging.

Mr. Blonquist reported that a property owner at A-59 Tollgate Canyon Road, is getting ready to build a house. He presented a photo of the property and explained that his water meter was installed many years ago in a location approximately 100 feet away from the property. This property owner asked Mr. Blonquist if the Water Company would relocate his meter and allow him to hookup near his property. Mr. Cylvick directed Mr. Blonquist to relocate the meter wherever he felt was best.

MOTION: Mr. Cylvick made a motion that Brody Blonquist should relocate the meter for A-59 from the abandoned position in Modoc to a position along Tollgate. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Blonquist clarified that if the meter location was within the property line he would not be willing to move it. The fact that the meter is 100 feet from the property creates a different situation.

5. **New Business**

Dan Heath asked about their commitment on Navajo. Scott Boyle had announced that the repair bill would go to the Water Company. Mr. Blonquist remarked that Navajo road was garbage before they started working. Mr. Townsend stated that the road had road base on it but it was never used and that is why the road base stayed.

Mr. George asked if the Water Company was responsible for paying for the mag water. The answer was no. No one was sure where the mag water came from.

Eric Anderson understood that Whiskey was taking before and after pictures of the roads they are working on. He felt they left the roads in better condition than they were before any work was started. To avoid problems like Mr. Boyle's comment about Navajo, Mr. Anderson suggested that the Water Company have some type of agreement before starting any work. Mr. Cylvick felt the agreement should be to go through every road and make a decision before any work is started. In his opinion, a picture after the fact is no help. Mr. Blonquist recalled that the only two roads they worked on that had road base last year was Uinta View and Deer Loop.

Pine Meadow Mutual Water Company
Board of Trustees Regular Meeting
June 14, 2007
Page 1

Mr. Cylvick offered to email Scott Boyle. Mr. Anderson asked if the Water Company has anything in writing that outlines their responsibility as a water board. Mr. Cylvick remarked that if there is road base on the road, they are responsible for reapplying road base. If there is no obvious road base, they should not apply road base. Mr. Anderson reiterated his suggestion to document everything they do as a water company. Mr. Blonquist suggested that the Board set a time to meet with Scott Boyle and drive the roads. Mr. Cylvick stated that he would ask Cal Cragun to meet with Brody Blonquist and Scott Boyle to drive the roads and write down what the Water Company will or will not do. Mr. Blonquist noted that he had received five phone calls from Scott Boyle saying that he would meet with him to walk the roads before they started digging, but Mr. Boyle never showed up. Mr. Cylvick remarked that the Board will make the effort and if Mr. Boyle or someone else from the Homeowners Association fails to show up, Cal and Brody will make a list and stick to it. Mr. Anderson stated that it is important for the Water Company and the Homeowners to get along because everyone needs to work together. Once that breaks down, there will be nick picking and finger pointing. He felt the problem needs to be resolved now.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:25 p.m.

Minutes Approved

Date