

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 11, 2008

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Anderson, Bill George, Dan Heath - Board members

Eric Cylvick and Cal Cragun were excused.

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

Eric Anderson called the meeting to order at 6:38 p.m.

Minutes

MOTION: Dan Heath moved to APPROVE the minutes of August 21, 2008. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Eric Anderson requested a correction to the minutes of August 21, 2008 regarding the unpaid bills. The previous motion to approve the minutes was stricken. Eric Anderson referred to the motion for unpaid bills for the August 21st meeting, which states that the motion was placed by Eric Cylvick and seconded by Eric Anderson. He noted that Eric Anderson was not in attendance and Bill George had seconded that motion.

MOTION: Dan Heath moved to APPROVE the minutes of August 21, 2008 as corrected. Bill George seconded the motion.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. The invoice from All West Communication was for the internet service that Brody uses at home for Pine Meadow business. The invoice from Catapultion was for the internet service Trevor uses at home for Pine Meadow Business, as well the the internet service at the office. Mr. Anderson asked if the bill covered a one month period. Mr. Blonquist answered yes. The invoice from Durablete was for the last vault that was delivered for the PRV. The invoice from Ferguson Enterprise was miscellaneous parts for the project. The invoice from Geary Construction was for gravel and sand for the project. The invoice from Hanie and Company were

charges for the required Federal audit. Mr. Blonquist was unsure why the invoice from JE Excavation showed a negative \$40.50. The invoice from KGC Associates was for Carol's services. Mountain States Water Works invoice was parts for the pipeline. Rocky Mountain Power was the typical monthly charge, Sinclair Fleet was for fuel, Slivers Inc. was the general contractor for the new shop. Eric Anderson asked if the shop is on budget to date. Mr. Blonquist replied that it was. He expected to receive one last bill on the shop. The bill from Verizon Wireless was for three phones and the Cellular alarm.

MOTION: Eric Anderson moved to APPROVE the unpaid bills for September 11, 2008. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Anderson noted that the Verizon Wireless bill still shows Karen McLaws' name and he wondered if that should be changed. Mr. Blonquist stated that they have tried to change that name and the Tax ID number many times but nothing happens. Mr. Anderson asked Carol to get some type of documentation in case this ever becomes a problem in the future. He suggested sending a certified letter to Verizon. Mr. Anderson felt it was important to remove Karen's name to release her from any liability if a situation arises in the future. Mr. Blonquist told Carol she could use his name if Verizon insists on a personal name.

Mr. Blonquist presented invoices from JE Excavation. The first was \$44,732.50 for use of the trackhoe and backhoe and labor. The second invoice was \$3300 for truck time.

MOTION: Eric Anderson moved to APPROVE Schedule 7, equipment and labor for 8/18/08-9/06/08 for \$44,732.50 and \$3,300.00. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Blonquist presented Invoice #738952 from Ed Erckenbrack for \$450 for truck time to haul off the scrap metal. He presented a second invoice #202544 from Ed Erckenbrack in the amount of \$1300 for charges to haul drain rock for the septic tank and leach field.

MOTION: Eric Anderson moved to APPROVE Invoice #788952 for Ed Erckenbrack in the amount of \$450. Bill George seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Eric Anderson moved to APPROVE Invoice #202544 for Ed Erckenbrack in the amount of \$1400 for the leach field. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

In response to a question regarding bank service charges and the CCPROC, Mr. Anderson explained that it was credit card processing. Mr. Anderson was curious to know the exact percentage they were paying for transactions and asked Carol to provide that information.

Mr. Anderson reviewed the profit and loss/budget versus actual. He noted that the excess water assessment was at 59.38%. The metered water assessment was at 98.64%. The standby fee was at 99.79%. Mr. Anderson assumed the percentages were high because people can pay by credit card. Mr. Heath was surprised that people are paying so well. Mr. Blonquist pointed out that those who pay quarterly will soon receive their next statement and that should bring in additional money.

Mr. Anderson asked for the status of annexations. Mr. Blonquist stated was aware of one annexation but he was unsure of the status. Mr. Anderson assumed the licensing and permit fees were for the shop. He noted that the property taxes have increased and that needs to be considered in the budget. Mr. Anderson asked about the source protection. Mr. Blonquist was unsure what Carol puts under source protection. Mr. Heath pointed out that it was nearing the end of the protest period for increased taxes. Mr. George wondered if the improvements to the water system had caused the increase. Mr. Heath noted that the property taxes had increased 135%. Mr. Anderson wondered if the taxes should be protested. Mr. Heath asked Mr. Blonquist to give him a list of every property they own. Mr. Blonquist stated that in an effort to reduce the taxes, he had signed something with the County when he first started indicating that the unbuildable lots would never be developed because they need them for source protection. Mr. Anderson asked Carol to work with Dan Heath on the property taxes.

Mr. Anderson asked Carol for an explanation of how she allocates expenses to source protection.

MOTION: Eric Anderson moved to APPROVE the profit and loss/budget versus actual, noting the request that the line items for property taxes and source protection be addressed. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Anderson assumed the negative in the check account was due to waiting for a transfer of money from the loan.

Mr. Anderson questioned the reference to the new well included in the total water system.

Mr. Blonquist recalled this same discussion at the last meeting. He noted that Eric Cylvick was going to check to make sure they are not being taxed on a well they don't have and have not funded. Eric Anderson suggested that Carol make a line adjustment on the new well since it has not been funded. If it has been used for something else, it should be designated as such.

MOTION: Eric Anderson moved to APPROVE the balance sheet/previous year comparison as of September 11, 2008. Bill George seconded the motion.

Dan Heath wanted to know what transportation equipment covers. Mr. Anderson believed it was the trailer. Mr. Heath clarified that it is an actual physical asset. Mr. Anderson replied that this was correct.

VOTE: The motion passed unanimously.

Correspondence

Mr. George stated that a new trial date has been set for Now Recovery. Cal Cragun told him the date but he could not remember what it was. Now Recovery has a new address and the last time Mr. George talked to Cal the Constable was in the process of serving Now Recovery.

The Board reviewed correspondence from Carol. Mr. Anderson noted that Vince McCallister was requesting a density transfer from several Pine Meadow lots for the purpose of subdividing. He did not think the Board should be involved and he would pass Carol's comments on to Eric Cylvick. Mr. George thought it was a legal battle between property owners.

Manager's report

Mr. Blonquist stated that the pipeline is at the intersection of Porcupine, Bull Moose and Forest Meadows. They started flushing yesterday on the Arapaho line. He hopes to have that line flushed out by Tuesday. Everything else has been going great with the water system and the project is moving along. He hoped to be finished with Forest Meadows in two to three weeks. Mr. Anderson asked Mr. Blonquist to keep the property owners updated as much as possible.

Mr. Heath asked Mr. Blonquist if Carol had given him the letter for the hookup on Porcupine. Mr. Blonquist stated that he received that letter today.

Mr. Blonquist commented on the propane for the shop and he was unsure if they rented the tank or purchased it. They need to get another tank for the new shop and if they are renting that tank they will just rent another one. If the old tank was purchased, he asked if he should move the old tank up to the shop and make the homeowners decide if they want to rent or purchase another tank. Mr. Anderson stated that if they own the tank the homeowners can lease one out. Mr. Blonquist would find out if the tank is leased or owned.

Mr. Blonquist stated that his neighbor does a silcote on concrete and he can do gray and tan. Mr. Blonquist was thinking of hiring his neighbor to do all the pump houses in a tan color to blend in with the dirt. He asked his neighbor to submit a bid and the bid totaled \$425 for 6 pump houses. This bid also includes spraying the exposed concrete around the bottom of the shop.

Mr. Blonquist stated that he would purchase stain or paint and do Bobcat and Contact. He will probably paint them a darker brown or a natural color. Mr. Heath asked if he was talking about the sheds. Mr. Blonquist replied that this was correct. Mr. Heath stated that he had a sprayer if Mr. Blonquist wanted to use it, however he would need a generator to run it.

Mr. Blonquist reported that he obtained three bids from the electricians for the pump house. The first bid was from Chesley Electric for \$16,328. The second bid was from Cooper Schmidt Electrical Services for \$17,510. The third bid was from Ridge Line Electric for \$8,650. Mr. Blonquist asked Mr. Anderson to discuss the three bids with Eric Cylvick. Mr. Anderson suggested that Mr. Blonquist email the information to Mr. Cylvick.

Since the last bid was significantly lower in price, Mr. Anderson asked Mr. Blonquist to make sure the bid covers everything they need.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:35 p.m.

Minutes Approved

Date