

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, MARCH 11, 2010

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Bill George, Cal Cragun, Brian Zelch, Hutch Foster - Board Members

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

President Cylvick called the meeting to order at 6:30 p.m.

Minutes

MOTION: Cal Cragun moved to APPROVE the minutes of February 11, 2010 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual.

The Board reviewed the balance sheet.

Brody Blonquist stated that he has never understood why the assets on the balance sheet are not shown as depreciating. Mr. Cylvick pointed out that the assets are depreciated on a separate line item. Mr. Cragun stated that he also has difficulty understanding the format, but he knows that Carol follows the correct procedure for assets and depreciation.

MOTION: Cal Cragun moved to APPROVE the profit and loss and the balance sheet as presented. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Mr. Blonquist reviewed the unpaid bills. The bill from All West Communications was for internet service at Brody's home for Water Company business. Apco, Inc. was for work done on the water system computer. Coalville Auto and Farm Supply was for two jack

stands. The bill from Horrock's Engineers was for the well. KGC Associates was the bill for Carol's services. Mountain West Water Works was still showing a credit. Revenue Recovery was the collection agency. Rocky Mountain Power was the monthly bill. Sinclair Fleet was for fuel. The bill from Suburban Propane was for the annual tank rental. There was a bill from the Utah State Division of Finance for the loan payment. Verizon Wireless was for the phones. Whitehouse & Company is the CPA firm that performed the IRS990 audit.

Mr. Cragun recalled that the Board previously discussed changing to another propane supplier and asked if Suburban Propane was still providing their propane. Mr. Blonquist explained that the Water Company pays a yearly fee to rent the tank and the bill was for the tank rental. He noted that the tank was empty and he called Suburban Propane to fill the tank. When he found out that the cost was \$4.74 a gallon, he refused the propane. At that point, the person from Suburban Propane offered to reduce the charge to \$3.73 a gallon. When Mr. Blonquist told him that he had found propane for \$1.99 a gallon, Suburban Propane gave him that rate. The delivery person from Suburban Propane told Brody that he would match any lower rate offered by another company.

Hutch Foster noted that the Owners Association told Suburban Propane not to fill their tanks. The Association intends to purchase a tank and shop for a better rate.

Mr. Blonquist presented a bill from IceXcavator for charges to thaw frozen lines. One was \$350 and the other was \$150 for a total of \$500. He noted that Eric Cylvick had approved the expense before the work was done. Because the excavation company responded immediately, Mr. Blonquist had sent an email to Carol informing her that Eric had authorized the charges and asked that she pay the bill upon receipt.

MOTION: Eric Cylvick made a motion to APPROVE the payment to IceXcavator for the thawing of lines in the amount of \$500.

Manager Report

Mr. Blonquist reported that everything was working well, with the exception of the frozen lines. The lines were thawed quickly and the customers were happy to have water. He plans to look at a resolution to fix those lines this summer. Mr. Blonquist stated that they could dig down within a foot of the pipe and install blue insulation over the top, add a foot of gravel and bury it. The gravel provides a place for the frost to break because gravel will not freeze. Mr. Blonquist noted that currently four lines need to be insulated, as well as a PRV line on Blue Moose.

Mr. Blonquist suggested that at the same time they do Salt Box, they should consider running a separate line to Bobcat Springs. If anything happens at Tollgate, it would also shut down Salt Box. A separate line to Bobcat Springs would provide a backup source. Mr. Cragun remarked that the question was the difference in cost to run a separate line versus a switch. Mr. Blonquist explained that the swampy area was his reason for sug-

gesting a separate line. If they run a driscoll line across that swampy area, he would be nervous that any type of leak in the pipe would contaminate the water.

Mr. Cylvick stated that if they dig a trench they should replace the existing line through the swamp and lay another line next to it. One line would continue straight and the second line would branch off. Mr. Blonquist asked that the Board continue to think about it. He understood the cost factor, but felt it was important to do it now to avoid being sorry later.

Mr. Blonquist stated that with authorization from Eric Cylvick, he had ordered a crane for the back of the truck that would be used to change out the meters.

Mr. Blonquist reported that they were getting the meter reading equipment to begin reading the meters. He wanted to know when the Board would be sending a newsletter to the property owners offering the new meter as an option. Mr. Cylvick thought they should wait to see how the trial meters work out before offering them to the owners. Mr. Blonquist noted that several people have already asked him about the meters.

Correspondence

Mr. Cylvick noted that Jim Dobson, a property owner in FM-C-56 was requesting water for a fire hydrant. Mr. Blonquist stated that numerous places in Forest Meadows could use fire hydrants. He and Trevor would like to reach a point where they could install a couple of hydrants each year. A hydrant and the valves cost approximately \$400 or \$500. Mr. Blonquist stated that Pine Meadow Drive could use five or six hydrants. Mr. Cylvick suggested that they purchase the hydrants with the loan money. Mr. Blonquist offered to count the actual number of hydrants they would need. He estimated approximately 15-20 hydrants.

Mr. Cylvick felt the property owner's request was reasonable. Mr. Cragun suggested that the Board ask Carol to contact Mr. Dobson and let him know that they would look into his request when the two lines are repaired, but there was no guarantee.

Miscellaneous Business

Mr. Cragun reported that the website is up and running. They need to register and submit their email addresses so when Brody posts problems on the website it will alert the homeowners immediately.

Mr. George commented on a letter that was circulating regarding a law suit. Mr. Cylvick stated that he heard the word on the street is that there was going to be a class action on the Water Company by people who feel they are being over-charged for water.

Mr. Cylvick stated that he met with Bill Laughlin two weeks ago to talk about the wells and he was surprised at the number of options available that they could do. He wanted to get Mr. Laughlin more involved where he would be on-site to track the sediment and document the well as things occur. Mr. Cylvick noted that when they could not find a

point of conversion over Salt Box, he and Mr. Laughlin decided that all the other well sites should be checked.

Mr. Cylvick stated that he had not yet written the letters regarding the easements for the line from Elk Road. Mr. Blonquist had identified the properties that would be crossed and provided the names of the property owners. Mr. Cylvick will write letters to those owners requesting an opportunity to speak with them. Mr. Cylvick stated that he would offer to waive the annexation fee for those property owners. The owners would still need to pay the meter impact fee prior to connection. Mr. Cragun thought the offer was reasonable.

Mr. Cylvick believed that waiving the annexation fee, and possibly the connection fee, was a beneficial trade-off for allowing them to reduce the water pressure on Pine Meadow Drive and provide fire flow everywhere on the Ranch.

Hutch Foster noticed that the Water Company by-laws say that an owner must be annexed into the Pine Meadow Ranch Owners Association in order to become annexed into the Pine Meadow Mutual Water Company. Mr. Foster reported that the Owners Association now has a formal annexation agreement document. At the next point when they need to do an annexation, the Water Company should make sure the paperwork is in order. Mr. Foster remarked that in the past it was always done on assumption but there was never a formal document.

Mr. Cylvick asked Mr. Foster how much it costs to annex into the Owners Association. Mr. Foster replied that there is no cost to join. However, an owner is charged an impact fee when he builds on his lot. Mr. Foster stated that people primarily annex into the Owners Association so they can work through the process when they are ready to build.

Mr. Blonquist stated that the same contractor was still interested in purchasing the trackhoe if the Board decided to sell it. If they sell it to him, he would let the Water Company use it for two or three weeks for the project.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:20 p.m.

Minutes Approved

Date