

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 10, 2010

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Brian Zelch - Board members

Ex Officio: Brody Blonquist

Bill George and Trevor Townsend were excused.

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

Minutes

MOTION: Eric Cylvick moved to APPROVE the minutes of May 13, 2010 as written. Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that they were only \$2,000 down from total budgeted income. Brody Blonquist pointed out that the one annexation would help tremendously. Mr. Cylvick thought the percentages looked good. Mr. Cragun assumed the expense for the propane reflected the cost reduction.

Mr. Cylvick noted that the Salt Box drilling well was shown on the profit and loss. He assumed that amount would be taken off when they are reimbursed from the loan. Brody understood that the cost needs to show on their books until the end of the year, and it is placed on the balance sheet.

MOTION: Eric Cylvick made a motion to APPROVE the profit and loss/budget versus actual dated June 10, 2010. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cragun noted that the \$205,000 in the Zions Bank account did not reflect the last \$120,000 that was transferred, which was \$60,000 for the drilling and \$60,000 to pay bills. The accurate amount was \$145,000.

Mr. Cragun stated that the Bank has told him twice that the Zions account is a savings account and not a money market account. He asked Carol to research why they would have put the money into a savings account. Brody asked if the checking account was with Zions Bank. Mr. Cragun replied that they have one account through Zions and one with Brighton Bank. Brody stated that he banks with Zions Banks and he has an internet savings account so money can be transferred online. The interest rate is 1.25% with a minimum balance. Mr. Cragun asked Carol to check into an internet account since the interest rate is higher than what the Water Company earns on their account. It would also enable him to transfer funds online.

Mr. Cragun stated that the \$3,000 apiece shown for Brody and Trevor is money that goes into the Health Savings Account. He noted that they were able to save a significant amount on premiums by using a Health Savings Account.

MOTION: Brian Zelch moved to ACCEPT the balance sheet as presented dated June 10, 2010. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. The bill from All West communications was for the internet. He thought the bill from Armstrong Drilling may have been the down payment on Salt Box; however, the bill did not identify the charge and they had already paid \$60,000. The Catapulsion bill was for Internet. Clyde, Snow and Session were legal fees. Ferguson Enterprises was for parts. KGC was the bill for Carol's services. Komatsu Equipment was a fan belt for the backhoe. The bill from Loughlin Water was the geologist. Mountain States Water Works still showed a credit. Brody did not know the reason for the bill from Regence Blue Cross Health Care. Mr. Cragun thought it could be a life insurance premium. Revenue Recovery was the collection agency. Sinclair Fleet was for fuel. USA Bluebook was for repairs at Bobcat and the new metal detector. Utah State Division of Finance was the interest on the loan. Verizon Wireless was the typical monthly bill.

MOTION: Cal Cragun moved to PAY the unpaid bills as presented. Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun stated that Board approval was needed for the \$60,000 deposit shown on page 2. He was unsure how that tied into the \$48,000. Eric Cylvick asked for the total of the Armstrong Drilling. Brody thought it was approximately \$105,000. Mr. Cragun suggested that the \$60,000 and the \$48,000 may have been added together.

Well

Mr. Cylvick updated the Board regarding the progress on the well and explained the process. So far they have drilled down 215 feet. He indicated the location of a 20 inch hole and a 12 inch hole. The 12 inch hole had a 14 inch casing. There is 3" of grout around the outside. The 12 inch hole will need 7 inch casing added to it. A 6-1/2 inch hole would need a 5" casing. The issue now is trying to figure out the cost. If the well starts producing water they can put in a pump and begin to use it. Brody clarified that there was no casing in the piping and it is an open hole. Mr. Cylvick agreed that they would need casing for the 6-1/2 inch hole. Mr. Blonquist explained that the 6-1/2 inch hole is left open in case a decision is made in the future to make it 12 inch all the way down.

Mr. Cylvick indicated a location where they could pump if they find good water. If that happens, he believed they could possibly get 60 or 70 gallons per minute from the well.

Managers Report

Brody reported that a PRV had cracked and broken in Forest Meadows and it had been repaired.

He and Trevor have been fixing numerous leaks on the Ranch.

Mr. Cylvick asked if Brody knew when they could expect a surveyor to come up. Mr. Blonquist expected someone the middle of next week. Brody would mark with paint where the lines should go. Mr. Cylvick offered to walk the route with him.

Mr. Cragun asked if they heard anymore from the people on Pine Meadow and if they had resolved the problem with their meter. Mr. Cylvick stated that when the meter was checked it was spinning very slowly and Brody made a note and called the owner. However, the next time they went back the meter was not spinning. Mr. Cylvick noted that a newer meter had been installed. He believed the old meter was only reading 60% of the water that was used. After the new meter was installed there was a toilet leak. Mr. Cylvick assumed that the more accurate reading from the new meter combined with the toilet leak was the reason for the higher bill. Mr. Blonquist pointed out that meters should be replaced at least every ten years to cut their loss from inaccurate metering.

Mr. Blonquist stated that they are ready to start selling meters at \$350 each installed. The cost of the meter was approximately \$290 and the remainder would be the install charge. Mr. Cragun asked if \$50 to install was a fair price. Mr. Blonquist stated that working together and he and Trevor can install a meter in about an hour. The Board concurred that it was time to begin installing the new meters. Mr. Cylvick asked Brody to post it on the website and to do a mailer. He thought they should increase the installation portion and charge \$375 per meter installed. Brody agreed that the installation time can vary depending on the location and the lot.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:03 p.m.

Minutes Approved

Date