

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 11, 2016

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George, Craig Gilliam – Board Members. Tony Tyler arrived later in the meeting.

Ex Officio: Brody Blonquist

Excused: Trevor Townsend

Guests: Dennis Derango, Lot G-38

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

Approval of Minutes

MOTION: Cal Cragun made a motion to APPROVE the minutes of June 9, 2016 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Public Forum

Dennis Derango, Lot G-58, stated that he had a leak at his cabin which resulted in a \$4200 water bill. Trevor and Brody helped him find the leak and it has been repaired. He requested that the Board waive a portion of his bill.

Mr. Cylvick asked if the leak was caused by an old line or if it was a frost-freeze hydrant. Mr. Derango replied that the break was from the meter to a small section in the main line. The line was dug up and repaired. He had tried to have it repaired last Fall but no one would come out until now. Brody confirmed the leak and that it had been repaired.

Mr. Cylvick explained that the Water Company allows a one-time reduction and Carol uses a standard formula to calculate the reduction based on the amount billed. Dennis was pleased to have the one-time reduction.

MOTION: Erick Cylvick moved to grant Dennis Derango, Lot G-38, a one-time reduction on the water bill. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. He noted that Allwest Communications and Catapultion were for the Internet. Evco House of House was still showing a credit. KGC Associates was for Carol's services. Meter Works was the purchase of two 1" meters to keep on hand. Pine Meadow Mutual Water Company was the escrow debt reserve fund for the loan. Revenue Recovery was collections. Rocky Mountain Power was the power bill. Select Health was the health insurance premium. Summit County Public Health Department was for three months of samples. Utah State Division of Finance were the loan payments. Utah State Tax Commission was registration on the truck, trailer and back trailer.

Brody noted that the bill from Jason Moore was included in the unpaid bills for their information and he would discuss it with the Board later in the meeting.

MOTION: Eric Cylvick made a motion to Approve the unpaid bills dated August 11, 2016, excluding the Jason Moore amount of \$8,000 for a new work truck. Craig Gilliam seconded the motion.

VOTE: The motion passed unanimously.

Financials

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

Brody reported that he had placed shut-off notices on five properties the day before. The owners have until Monday to pay their bill or the water will be shut off. He noted that there were originally eight notices but three people paid that same day.

Mr. Cragun noted that they were 425.9% for hook-up fees; and Carol was expecting another hookup fee and an impact fee. Brody understood from Carol that property owners from San Diego were planning to attend the next meeting to talk about an annexation. Mr. Cylvick noted that the next meeting would be September 8th and he would not be able to attend.

Tony Tyler arrived.

Mr. Cylvick asked if water system repair and maintenance was primarily for the wells.

Brody answered yes.

MOTION: Eric Cylvick moved to Approve the profit and loss/budget versus actual dated August 11, 2016. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to Approve the balance sheet dated August 11, 2016. Craig Gilliam seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the Contact Well had been redone. The well sits inside the building and pumps to a storage tank that sits outside the building. He explained how the system works and how water is pumped up to the 500,000 gallon tank. He pointed out that they were using two pumps. Brody stated that they found the line at the old Bobcat pump house, and now the well comes down off the hill and goes into the new Bobcat pump house. They were able to take a pump and a tank out of the system and water is pumped into the 500,000 gallon tank more efficiently. Brody stated that Contact now runs into Bobcat.

Mr. Cylvick asked how often the well runs. Brody stated that the pump cycle is on for two days and off for three days. On the weekends it is Friday, Saturday and Sunday. He noted that he and Trevor have seen a big difference in the pumping since the Tollgate well and the Contact well were redone. Thirteen or fourteen gallons per minute is significant. The amount of water is basically still the same, but they are able to fill the tanks faster.

Brody reported that a sanitary survey was done by the State of Utah. He thought the State had nit-picked more this year over small things. He suggested that the State may be cracking down more since the water system has been updated. Brody stated that some of the points were for items he needed to have in the pump houses that he did not know were required. Brody stated that the lady who did the survey this year decided to go back to the State and look through all of their records. She found out that they had not finalized the Thomas Broderick agreement and they were dinged 20 points for that. Brody spoke with Mr. Broderick and he sent the documents priority mail. Mr. Broderick

said he would sign it as soon as he receives it. Brody read him the insert about the source protection that the State wanted included, and Mr. Broderick was fine with it. Brody thought they could resolve the 200 points fairly soon.

Brody reported that he told the people who did the survey about the cross-connection program and how he and Trevor inspect all the properties. He said he that everything was completed and asked that the points be removed. However, they did not believe him and refused to remove the points. It is now to the point where the State wants to set up a meeting to review all of the Water Company's documentation. Brody stated that Rural Water came up to help and laid everything out for the State, but they still would not accept it from Rural Water either.

Mr. Cragun noted that ten properties had not paid the penalty fee and he asked if that was tied in with the non-inspection list. Brody answered yes. Mr. Cragun thought the Board should decide whether the Water Company should eat it or make the owners pay. Brody explained that the penalty was for not having the inspection done, but it has been done now. He noted that the Water Company charged a \$20/month fee until the inspection is done, and he told Carol to bill them. Those owners set the program back by six months. He clarified that all the inspections are done but the State will not accept it because their policy changed in April 2016. An air gap is no longer accepted and everyone who has a tank or a fire suppression system is supposed to have an RP, which is a regulated pressure gadget that goes out in the yard. He told them it was impossible to do that because there is no way to insulate them and they will freeze. When he explained that they would freeze, their answer was to have the property owners take them out in the winter. Brody pointed out that if they were removed people would not have water in the winter. The State agreed that he had a good point, and that was the end of the conversation.

Brody stated that Rural Water was putting a presentation together to help resolve the issue. He found it surprising that the State would not accept it from Rural Water. It was frustrating, but Brody intended to keep pursuing it. Overall they were dinged 200 points for the system. However, the points have not gone on yet because the State gave them until November 18th to resolve the issues. However, if the points go on and the State does not remove the cross connection points, Pine Meadow would become an unapproved water system. Brody pointed out that if they become an unapproved water system, the State comes in and fixes the problems, and he would be fine with that.

Brody stated that overall the survey went well except for what the lady from the Division of Drinking Water found in the old files.

Brody reported that everything else with the water system was good. He and Trevor have been looking for people who left their meters turned on. It is a typical summertime problem.

Brody had sent the Board members an email about a truck his cousin was selling. It is a service truck that he uses for his fire business. It has a compressor and a crane, a service bed and other features. Brody thought it was a great deal at \$8,000 because the compressor alone is \$4,000 and the crane is \$4,000. Mr. Cylvick asked what they would do with the truck they have. Brody stated that if the Board was in agreement to buy his cousin's truck, he already had an agreement to sell the other truck back to the fire department for \$3,500. They originally paid \$4,000 for it.

MOTION: Eric Cylvick made a motion to purchase the new service truck on the understanding that the existing service truck would be sold back to the fire department for \$3500. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick wrote a check in the amount of \$8,000 to purchase the truck.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:05 p.m.

Minutes Approved

Date