

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, DECEMBER 14, 2006

TERRA NOVA

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Eric Anderson - Vice President; Cal Cragun, Bill George – Board Members

Dan Heath was excused.

Ex Officio: Brody Blonquist - Water System Manager

President Eric Cylvick called the meeting of the Pine Meadow Mutual Water Company Board of Trustees to order at 6:34 p.m.

1. Minutes

MOTION: Eric Cylvick moved to approve the Annual Meeting and Board of Trustees meeting minutes as written. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

2. Financials

Mr. Cylvick reviewed the profit and loss/budget versus actual. He asked that Carol call him to discuss billing 100% of Trevor Townsend's time on the project from when he started so they can be reimbursed from the loan for that amount. Mr. Anderson recalled a previous discussion about billing out everyone 100% during the project and during the off season put a portion of the salary into the budgeted numbers. Mr. Cylvick stated that this was how he had budgeted. Mr. Cylvick has questions regarding the payroll expense. He also wanted to know why Carol had included seasonal salaries. Mr. Cylvick stated that they were close to budget on secretarial services but higher on postage. He felt the numbers for building and equipment repairs was questionable. Mr. Cylvick believed that some of the amounts should be reallocated to other accounts and he would talk with Carol.

MOTION: Eric Anderson 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, noting that there is \$322,000 in the money market account. That amount could be higher once they are reimbursed from the loan,

unless that money goes directly to the checking account. In total they have nearly \$400,000 with \$79,000 in the checking account and \$322,000 in the money market. The rest is escrowed out.

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

VOTE: The motion passed unanimously.

3. New Business

Mr. Cylvick commented on combining lots. When he first came on to the Board, they basically looked at combining lots at the Ranch because it requires less service and less traffic. Combining lots is considered a positive thing and it is encouraged. Mr. Cylvick understood that once a lot is combined, the County will not allow the lot to be re-subdivided in the future. The Board discussed a specific lot that Carol had mentioned. It was noted that the properties were not combined but the lot line was changed because one lot was in the road. Mr. Anderson stated that if the property is annexed and the lot is subdivided, the owner will be responsible for paying impact fees, in addition to hook up fees, if they want service. Mr. Cylvick remarked that if the property owner combines a lot the Board has the right to lockout and remove the water meter. The property owner will need to pay a water connection fee if they want it back. Mr. Blonquist pointed out that the property owner has a water letter indicating that he has a water share into the Water Company. Mr. Anderson explained that the water letter is only for that lot. If the lot is combined it ceases to exist and the letter is invalid. Mr. Cylvick stated that he would contact the attorney if this is challenged or becomes an issue.

Mr. Cylvick asked about someone drilling a well on their property. Mr. Blonquist stated that drilling a well is up to the Division of Water Rights and not a decision for Pine Meadow. You need to be in a certain area with the Division of Water Rights in order to drill a well. Mr. Anderson noted that most people do not own the rights underneath the top of the ground. Mr. Cylvick agreed that a property owner would need to purchase a water share from the Division of Water Rights and follow the proper procedure.

Mr. Cylvick clarified that if someone disconnects from Pine Meadow and then wants to reconnect, they must pay a water connection fee. Also, if they want to keep their meter and drill a well they have to keep paying for the water. Mr. Blonquist was aware of one property owner who has a well and a meter. Mr. Cylvick asked if Sherry Richardson is by Salt Box. Mr. Blonquist answered yes and said that he told Ms. Richardson that he would talk to the Board. Mr. Cylvick noted that the bylaws do not say that water will be provided all the time and currently they are still a transient non-community water system. When he came on the Board, much of Pine Meadow did not have water and the property owners still paid into the system.

Carol had received calls from people requesting that the meters be read earlier than October to allow time to repair any leaks. Mr. Cylvick noted that the property owners are responsible for turning on their meter to make sure that nothing is spinning when the water is turned off inside the house. He believed that reading the meters in the Spring

would create another set of issues. Mr. Blonquist pointed out that Spring is the busiest time of year for him and Trevor and they would not have time to read the meters. Mr. Cylvick reiterated that the property owner is responsible for finding leaks and reading the meter is not a prime source for finding a leak.

Mr. Cylvick read a note from Carol regarding the combination of lots PI-G-91 and 86. Plat G, Lot 86 is a bare lot and they will pay the assessment of \$491 for water only. The Board reviewed the map and discussed these lots. Mr. Cylvick asked Carol to inform the property owner that once he makes that decision and shows proof from the County that the lots have been combined, the Water Company will remove the water meter. If the lots are ever subdivided in the future, they will be required to pay an annexation fee, an impact fee, and a meter installation fee. Mr. Anderson pointed out that once the lots are combined, Lot 86 will no longer exist.

MOTION: Eric Cylvick made a motion to allow Lot PI-G91 and Lot PI-G86 to be combined into one lot. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick read a note from Carol indicating that Michael Bowen, Lot FM-C-47 Bull Moose Drive, was requesting to cap off a second meter since no water is being used. Mr. Bowen only wants to pay for one meter. Mr. Blonquist explained that Mr. Bowen had two adjacent lots. He put water into both lots because he intended to build a cabin on both lots. He only built a cabin on one lot and does not need water on the second lot. Mr. Blonquist did not think the Board should allow Mr. Bowen to cap the second meter. Mr. Blonquist asked Carol to inform Mr. Bowen that if he wants the meter removed, it will become a dry lot. If at any time he changes his mind and wants water again, he will be charged an impact fee and a new connection fee.

Mr. Cylvick read a note from Carol about a rule or policy stating that the lot owner is subject to all water connection fees when he requests that a meter be capped and later changes his mind. She suggested that a lot owner pay the standby fee in the interim to keep revenues stable. Mr. Cylvick noted that the Water Company cannot prevent someone from drilling a well; however if there is a meter on their lot, they do need to pay the meter assessment. He was unsure what capping the meter meant since the Water Company does not cap meters. A property owner either pays \$491 each year without using water or they can have the meter removed and pay the impact fees and installation fees if they change their mind.

Mr. Cylvick read a note from Carol indicating that Stanley Scharr, PI-C-70 wants Mr. Blonquist to change out his meter because it leaks. She wanted to know if Mr. Scharr was on the list of meter change outs and how she should respond to his request. Mr. Cylvick stated that Mr. Scharr's meter is scheduled to be replaced next summer. The leak is on the Pine Meadow side and it is up to the Water Company decide whether or not to replace the meter.

Mr. Cylvick read a note from Carol stating that the Water Company will be able to accept credit cards beginning in January.

The Board discussed a note from Carol regarding John Bronson. Mr Cylvick asked Carol to make a note that Mr. Bronson will not be charged any fees from January 1, 2007 to December 30, 2007 for Lot 86. There is no meter on the lot and Mr. Bronson will not be charged a standby fee for 2007.

Mr. Cylvick remarked that if Mr. Bowen wants to discuss having Mr. Blonquist remove the meter from his lot, he will need to pay the impact fees and connection fees if he ever wants water back on his lot. If Mr. Bowen insists on having the meter removed, the Board will discuss the issue at a future meeting. If they get too many requests, the Board may have to make the decision that meters cannot be removed unless lots are combined.

4. Unpaid Bills

Mr. Blonquist reviewed the unpaid bills. Coalville Auto and Farm Supply was fuel for the diesel and Fuel 911 that he dumps in the tanks for the winter. Regarding Half Day Dave's Trucking, he was told that he should have it paid by the first of the year. Mr. Blonquist stated that he has done as much as he can on the matter. The bill from Home Depot was for shovels. The bill from Horrocks Engineering was for the environmental assessment. J & R Development was for work on the tank. KGC Associates was Carol's bill. Komatsu Equipment was for transporting the trackhoe to Komatsu Equipment. The Mobile Mini bill was for the storage shed. Rocky Mountain Power was a monthly charge. Rural Water Association of Utah was the Water Association renewal fee. Sinclair Fleet was for fuel. Utah Broadband was for the internet. Utah State Division of Finance was the interest payment. Verizon Wireless was a monthly charge. Weber Basin Water was for water shares. Weller Recreation, Inc. was for plugs and oil for the snowmobiles. Wilson Ranches was for the last culverts. Mr. Cylvick noted that the cost for water shares had increased \$10,000 from last year. He asked Mr. Blonquist to verify the increase.

MOTION: Eric Cylvick moved to pay the unpaid bills and to get an explanation on why Weber Basin Water Conservancy District is \$10,000 higher than what was budgeted. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

5. Manager's Report

Mr. Blonquist had nothing to report. Mr. Cylvick wanted it on record that there was a problem with the transducer and the 60,000's are no longer there. The ice was freezing on the top layer and it was pulling up the transducer. Mr. Blonquist explained what he did to fix it.

6. Miscellaneous

Mr. Cylvick asked Carol to write a check to Cal Cragun in the amount of \$250 to purchase her Christmas present.

The next meeting is scheduled for January 11, 2007, 6:30 at Terra Nova or Eric Cylvick's office.

The regular meeting of the Pine Meadows Mutual Water Company Board of Trustees adjourned at 7:40 p.m.

Minutes Approved

Date