

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 10, 2009

SUMMIT COUNTY, UTAH

Board Members in Attendance: Cal Cragun, Bill George, Brian Zelch - Board members;
Hutch Foster, HOA representative

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

Eric Cylvick was excused.

Cal Cragun called the meeting to order at 6:30 p.m.

Minutes - August 13, 2009

MOTION: Cal Cragun moved to APPROVE the minutes of August 13, 2009 as written.
Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Bill George asked about the 4% credit card processing expense. Mr. Cragun replied that it was the fee they pay for using credit cards. Mr. George asked if Carol had researched other banks because some actually charge less. Mr. Cragun recalled that they had shopped for lower rates when they first started taking credit cards and he agreed that it was a good idea to do it again. If Carol did not have time to research rates, Mr. Cragun was willing to do it. Mr. Cragun asked Carol to email the Board to let them know if the 4% processing charge is an expense paid by the property owner when they pay with a credit card.

Bill George commented on the \$1400 charge for vehicles, equipment and fuel and asked if the increase over the \$700 that was budgeted was a result of inflated fuel costs. Mr. Blonquist replied that vehicle maintenance and mileage was included in that expense.

MOTION: Bill George made a motion to ACCEPT the profit and loss/budget versus actual as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Blonquist understood from Eric that the trackhoe had been sold, but they had not yet been paid. He believed the selling price was \$32,500. Mr. Blonquist was unsure when the sale would be finalized but Eric was working on it.

MOTION: Cal Cragun moved to ACCEPT the balance sheet as presented. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Mr. Blonquist reviewed the unpaid bills. All West Communication was the bill for his internet at home for when he does Water Company business. Armstrong Drilling was for the work done at Salt Box. BJ Reese was for a tank lid they had built for the well because the State requires a lockable lid. The bill from Catapultion was the internet bill for the shop and for Trevor when he does Water Company business at home. Of the Chem-Tech water sample bill; \$60 was for nitrate samples and \$145 was for pesticide samples. The bill from Coalville Auto and Farm Supply was for relay and connectors used for the truck with a light line on top. The bill from Ferguson Enterprise was for parts needed for the eye wash station. The bill from Home Depot was for paint, keys for the space that was added to the building, and miscellaneous items.

Mr. Blonquist questioned the bill from Horrocks Engineering. The bill referenced that they are still under contract with the project, but the Water Company has not used them. The charge was for 210 miles driven plus the contract amount. Mr. Cragun believed that Eric Cylvick had asked Horrocks to come up and look at something, but he could not recall what it was. Mr. Blonquist recommended that the Board put a hold on the Horrocks Engineering bill until he talks to Eric. Mr. Cragun asked Carol to find out why they were billed by Horrocks Engineering and to email Eric Cylvick with that information.

Mr. Blonquist continued with the unpaid bills. KGC Associates was the bill for Carol's services. Loughlin Water Associates was for research on oil and gas wells. Mountain States Water Works still showed a credit. Rocky Mountain Power was the typical monthly bill. Sinclair Fleet was for fuel. Utah State Division of Finance was for the loan. Carol had sent a note indicating the need to transfer money from Zions Bank. Mr. Cragun stated that he would make that transfer on money. The bill from the Utah State Tax Commission was for the registrations for the trailer. Verizon wireless was the typical monthly bill.

MOTION: Cal Cragun made a motion to ACCEPT and pay the bills as presented, with the exception of the bill from Horrocks Engineering.

Mr. Blonquist stated that the question for Eric is whether or not they still owe Horrocks Engineering \$94,915 per contract.

Correspondence

Mr. Blonquist stated that he would take out the three meters mentioned in the second item when they do the meter readings. He stated that FM-C-59 has a house on it. However, PI-78 does not have a house. He was unsure about 59-E.

Mr. Cragun asked which Board members were up for re-election. Mr. George did not think he was. Mr. Cragun asked Carol to check her records and email the Board members.

Mr. Blonquist reported on a foreclosure scheduled for September 24th at 10:00 a.m. and asked that the Board members also attend with he and Trevor. Mr. Cragun believed they were selling the water rights on that day. Mr. Cragun suggested that they check with the Attorney, Ted Barnes, to see if it is necessary to conduct a formal Board meeting. He thought at least two Board members should be present. Mr. Cragun stated that he would contact Mr. Cylvick to see if he was available to attend. Mr. George offered to attend. Mr. Cragun asked Carol if she would find out if a formal offer is needed by the Water Company or if it is just a formality. If it is a formal proposal, they may need three Board members in attendance.

Mr. George read, "Shares will be redeemed by the shareholder for a period of 30 days after the date of sale." Based on that language, Mr. George believed that if the water share was paid for in 30 days, there would not be a sale. Therefore, no one has to commit up-front.

Mr. Cragun referred to another letter regarding MyCorp and pointed out that it was the first notice of such debt. Mr. Cragun believed this was a legal matter and Ted Barnes should review it and respond. He would contact Eric Cylvick regarding this matter. Mr. Cragun asked Carol to verify the address on the MyCorp letter to make sure the Water Company has been sending correspondence to that address. He also asked her to verify the signature and to have all the documentation ready in case Eric wanted to pursue it.

Managers Report

Mr. Blonquist reported that Larry Holt's meter was replaced but there have not been readings to indicate whether it is working. All the meter installs have been completed and all the water sampling is done except for bacteria samples that need to be taken quarterly. All the samples have passed and everything is working great.

Mr. Blonquist stated that he would like to replace the padlocks on the tanks with combination locks. That would make it easier when people come to work on the tank if he and Trevor are working somewhere else and cannot be there to unlock the padlock.

Mr. Blonquist suggested changing the doors on the pump houses. Many of them are old and beginning to rot. He would also like to have them re-keyed with different locks.

Mr. Cragun remarked that seven doors would need to be replaced with seven new locks and keys. Mr. Blonquist stated that it was not urgent and could be budgeted for next year. He felt it was a matter of security. Mr. Zelch pointed out that good security steel doors cost approximately \$250.00 each. A good security lock is \$100 plus.

Mr. Cragun thought Mr. Blonquist should purchase the combination locks for the tanks. Mr. Blonquist offered to obtain three bids for the security doors.

HOA Report

Hutch Foster reported that the Fire Awareness Day was very successful.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:00 p.m.

Minutes Approved