

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JULY 15, 2010

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

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

Ex Officio: Brody Blonquist, Trevor Townsend

Eric Cylvick was excused.

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

Minutes

MOTION: Bill George moved to APPROVE the minutes of June 10, 2010 as written. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously

Financials

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

MOTION: Cal Cragun made a motion to APPROVE the profit and loss/budget versus actual dated July 15, 2010. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

Mr. Cragun stated that he had moved \$100,000 from the savings account to the checking account to pay Armstrong Drilling. Approximately \$41,000 remained in the savings account.

Mr. Cragun asked why the total assets were down from last year. Mr. Blonquist replied that last year they had more money from the State and he assumed that was the difference.

MOTION: Cal Cragun moved to ACCEPT the balance sheet as presented. Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun asked why the total assets were down from last year. Mr. Blonquist replied that last year they had more money from the State and he assumed that was the difference.

MOTION: Cal Cragun moved to ACCEPT the balance sheet as presented. Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody presented a bill from Chesley Electric, Invoice #10-501, in the amount of \$256.81. There was a bad breaker at Bobcat Springs that could not be replaced and Brody had to order a new breaker. Brody requested that the Board approve this invoice separately because it was not listed as a line item on the detail sheet.

MOTION: Cal Cragun made a motion to pay the invoice from Chesley Electric in the amount of \$256.81. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Brody presented a bill from Ted Mason, with Lennox Survey and Design. Invoice #226, was research and survey work to determine what should be done at the well. The total invoice amount was \$1,250. Brody noted that Eric Cylvick had approved the expense but payment needed to be approved by the Board.

MOTION: Cal Cragun made a motion to pay Invoice #226 from Ted Mason in the amount of \$1,250. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Brody noted that Invoice #192 was also from Ted Mason. Mr. Mason had not received payment on this invoice and Brody wanted clarification that Carol had not paid it. Brody stated that the charge was for survey work on the Old Amoco well site in Forest Meadows. This allowed the Water Company to move their water rights down to that well. Mr. Cragun proposed that the bill be paid if Carol had not already done so.

MOTION: Cal Cragun made a motion to pay Invoice #192 for Ted Mason in the amount of \$500. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Brody reviewed the unpaid bills as detailed. All West Communication was internet service at Brody's house for Water Company business. Armstrong Drilling was for the well

at Salt Box. Catapulsion was internet service at the office and at Trevor's house for Water Company business. Chem-Tech was for nitrate samples. Clyde, Snow and Session was legal fees. Coalville Auto and Farm Supply was for starting fluid. Delco Western was a two part bill; \$1,379 was for a new 5 horsepower pump at Bobcat Springs, and \$202 was to troubleshoot the pump, which is how they found out the breaker was bad. Farmers Insurance was the annual insurance premium on the truck. Ferguson Enterprise was miscellaneous parts, KGC Associates was for Carol's services, Loughlin Water Associates was the contract agreement with Bill Loughlin to be on-site for the well and to do the sample reports. Brody recalled that the contract agreement was \$12,000. Mountain States Water Works was still showing a credit. Brody noted that the amounts itemized on the invoice was for PRV parts and other items at Tollgate. Revenue Recovery was the collection agency. Rocky Mountain Power was the typical monthly bill. Sinclair Fleet was for fuel. State Division of Finance was the finance payment on the loan. Utah State Tax Commission was registration on the truck. Verizon Wireless were the cell phones. Wittison Turbine Services was for the video at Salt Box.

Brody noted that Wittison Turbine Services could possibly go on the loan because it was included in well services. Mr. Cragun asked Carol to find out if it could go on the loan. MOTION: Cal Cragun moved to pay the unpaid bills in the amount of \$131,196.96 with the possibility of moving the \$355.50 for Wittison Turbine Services to the loan. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Brody pointed out that the bill from Loughlin Water could also go under the loan in the amount of \$11,986.60.

Manager's Report

Brody reported that everything is running fine. He noted that they replaced the PRV in Tollgate. It was a 6" PRV that Gary Rupert had bypassed with a 3/4" line. Basically, all of Tollgate from Boyce's corner down was fed into Forest Meadows, which is why there was no fire flow. The pressure should be adequate and everything is up and running.

Brody stated that the new pump was installed at Bobcat Springs. They had also replaced a few cross plates for some property owners.

Brody referred to a water line on Bull Moose and explained how the fire hydrant T's off. There is a valve in front of it and the valve has been pushed off the piece of pipe. He would like to cut the fire hydrant off at the T and put in a blind tap. Brody stated that once that is done, they would remove the fire hydrant. The power line is the main reason for having to dig the hydrant by hand. Next summer he would like to dig down 60 feet and put another fire hydrant across. They cannot do that now because the line has been leaking and the ground is so saturated and they would not be able to pour concrete.

Mr. Zelch asked if there was any liability to the Water Company by cutting out the hydrant. Brody answered no, as long as it falls within the 500 foot requirement. Brody expected one full-time resident to contact the Board members once he notices the fire hydrant is gone. Mr. Cragun asked about the distance from the other fire hydrants to that full-time property owner. Brody estimated within 150-200 feet. He would verify that the hydrant would be within a 500 foot radius.

New Meters

Brody commented on the issue of selling the new meters. He noted that the theory was to read the meters once a month through the summer, from May to October. In the winter, the meter would only be read if the property owner requests a reading. Mr. Cragun asked if shutting off the meter would be the same with the new meters. Mr. Brody stated that it would still remain the same. The owner is still liable for the water that runs through the meter and people should shut off their meter when they leave for a period of time.

Regarding the history trend, Brody felt the history should only be pulled if there is a discrepancy in the water use. He did not want 400 customers asking to have their history pulled for insignificant reasons. Mr. Cragun suggested charging a fee for pulling the history. Brody felt that people with a discretion should not be charged. He was not opposed to a fee if it would discourage people who only wanted to know how much water they used on a certain day.

Brody thought the water meter should be paid for before it is installed. The Board agreed. Brody stated that all payments should go through Carol and if someone uses a check instead of a credit card, they should wait until the check clears before issuing the meter.

Brody stated that if the Water Company could encourage the property owners to purchase these meters it would save them money. Mr. Cragun asked about availability. Brody replied that once he gets Board approval he could ask Eric Cylvick to approve a letter of agreement when a meter is sold.

Brody asked the Board to email Eric Cylvick with ideas for marketing the meters to the property owners. He would like Carol to send a postcard telling everyone that the new meters would be read once a month and it would save money. The postcard would identify the selling points of the meter and the cost. Mr. Zelch thought the testimony of the lady who had a trial meter would be the best selling point, because she had a leak and they were able to find it quickly. Brody pointed out that the meters would bring in revenue for the Water Company and if they can sell a significant number, it will save he and Trevor time in finding leaks.

Future Annexations

Brody reported that any future annexations must be approved by the engineer, per State requirement by the Division of Drinking Water. He noted that the bylaws need to be

amended to reflect that requirement. Brody explained that under the current system, if they annex a new user who hooks up to the water system, he could take the pressure from his neighbor who has been in the Ranch and has been paying his water bill. If that happens, the neighbor could sue the State of Utah and the Water Company because he has been paying his water bill and his lot has always been part of Pine Meadow Ranch. Under the new requirement, if there is an annexation the Water Company engineer must engineer the hookup and verify in the water model that it would not affect existing properties. Brody noted that the person requesting to be annexed would have to pay the engineering costs upfront. The Water Company would not be responsible for payment.

Mr. Cragun asked if Brody had discussed this State requirement with Eric Cylvick. Brody replied that he had not talked to Eric because he had just found out himself. Mr. Cragun wanted to wait and hear Mr. Cylvick's opinion, but he felt the Board needed to act quickly. He assumed it would require a legal change in the bylaws. Mr. Cragun asked Brody to obtain a copy of that section of the State law.

I-Plat Easement Issue Update

Brody reported on a problem they encountered with the easement they were trying to get from Elk Road to I-Plat. The road they have been talking about basically back skirts Pine Meadow and a couple of driveways come off of it. That road is halfway in the Ranch and halfway out of the Ranch. The problem now is trying to find out whose property that road runs through. They may be dealing with two easements and additional property owners. The issue may not be as clear-cut as they thought. Currently, the County is trying to find out why the road was put in and who it was recorded under. Brody felt it was important to wait on the County so they know exactly whose property they would be going through to avoid future legal problems. He expected to know something within another week.

HOA Update

Hutch Foster commented on annexations and stated that the current bylaw states that anyone wishing to annex into the Ranch must join the Owners Association. He noted that there was an actual annexation agreement document that is signed by the owner and the Board. Since joining the Owners Association is a requirement for annexing to the Water Company, he believed that document should be signed prior to the Water Company annexation. Mr. Foster stated that the form was online and could be downloaded and filled out.

Mr. Foster had received a call from Tom Deaver informing him that Doug McAllister had submitted applications to the Eastern Summit County Water Advisory Board. It is a volunteer informational board that advises the County Council and possibly Weber Basin Water on matters that are occurring. Mr. McAllister had submitted six letters and was apparently looking to find 6 acre of water. Mr. Deaver was concerned that Mr. McAllister was trying to steal water. Brody clarified that the water rights are locked up inside the Ranch, but the Water Board has no control outside of the Ranch. He explained that

anyone who wants water would first go to Weber Basin Water and then go through the Eastern Summit County Planning Commission. All matters before the Planning Commission are publicly noticed.

Mr. George asked if the Owners Association has funds for signage on some of the roads that are not currently identified, particularly where he lives on Iroquois. Mr. Foster stated that currently there is not a signage fund and the signs are approximately \$100 each. Mr. Foster remarked that he was trying to compile a list of missing signs around the Ranch. It would most likely not happen this summer because the budget is tight, but it could be a future project. Mr. Foster stated that he has a pile of leftover signs and he would see if one of them says, "Iroquois". If not, he would add it to the list of replacement signs.

Mr. George was concerned that lack of signage could be a problem in the event of a fire or another emergency situation at his cabin. Mr. Foster stated that the fire department has a GPS map of the Ranch and would not be following verbal directions. He asked Mr. George if he was hooked up to the Code Red system so if he calls 911 he is already identified. Mr. George did not think he was. Mr. Foster encouraged Mr. George to register his phone with the Summit County Sheriff's Department. He explained how to register on the Summit County Sheriff's website. Once someone is registered, their name goes into the database so if they dial 911 from their house, the call would go out from dispatch with a GPS link.

Miscellaneous Business

Mr. Zelch reported that the Peacocks, Lot A-37, were foreclosed. They owe approximately \$40,000 to the Water Company. Mr. Zelch stated that he had mentioned this possible foreclosure in a past meeting and advised the Board to place a lien on the property. If that was done, they should recoup some of their money. Mr. Zelch stated that the owner wants the meter read so she could pay the bill and get her deposit refunded. Based on past due money owed, Mr. Zelch did not expect payment, but asked Brody to read the meter.

Mr. Zelch asked if the Board members had heard any complaints due to the drilling noise. Mr. Cragun stated that one person commented but no one else. Mr. Zelch noted that it was the same person who had mentioned it to him several times.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:10 p.m.

Date