

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, OCTOBER 20, 2011

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George Hutch Foster - Board members

Brian Zelch was excused.

Ex Officio: Brody Blonquist, Trevor Townsend

President Eric Cylvick called the meeting to order at 6:35 p.m.

Minutes – September 8, 2011

MOTION: Cal Cragun made a motion to APPROVE the minutes of September 8, 2011 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Allwest Communication and Catapultion were for the internet. APCO, Inc. was for service on the transducers. The bill from Chem-Tech Ford was for samples. Chem-Tem Ford showed a credit. KGC Associates was the bill for Carol's services. Mountain States Water Works still showed a credit. Revenue Recovery was the collection agency. The Summit County Public Health Department was for samples. The Hartford Insurance Group was the insurance premium on the vehicles. Utah State Division of Finance was the monthly payment on the loan. Verizon Wireless was for cell phones. The bill from William L. Prater was for legal fees.

MOTION: Eric Cylvick moved to pay the unpaid bills dated October 18, 2011. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick asked Carol to put the bill from William L. Prater, LLC for \$12,948 on the

loan so the Water Company would be compensated.

Financials

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

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual.
Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun noted that Carol had starred two items on the financials. Mr. Cylvick thought Carol may have starred those items to show that they were almost 104% over budget on the income. He noted that they were 97.8% on the Standby and 103.2% on the Metered Water.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to APPROVE the balance sheet dated October 18, 2011.
Bill George seconded the motion.

Managers Report

Brody reported that everything was working well. All the meters had been installed. Once they get the numbers from Carol they can put them into the reader and start reading the meters.

Brody and Trevor checked all the PRVs and turned the heaters on in the pump houses. Everything was winterized.

Brody noted that the next day would be Cody's last day. He asked the Board about giving Cody a bonus since he went above and beyond the expected work, particularly with the meter installations.

Brody thanked the Board for purchasing the sucker VAC trailer. Mr. Cylvick asked Carol if the sucker trailer could be put on the loan since it was purchased for the project.

Mr. Cylvick stated that the Board members needed to talk about bonuses in general

before making a decision.

Brody asked about iPads for the Water Company. Verizon sells them and the monthly service is \$20 per month. The iPad has the app for the telemetry, which would be an added benefit. He and Trevor would be able to check the telemetry from anywhere and it was a tool he would like to have available. Brody commented on other apps, particularly one that Mountain Regional currently uses. Mr. Cylvick thought the iPads could be purchased with the loan. The Water Company would be responsible for the monthly charge and they would have to replace the iPads if they break or wear out. Brody noted that the app charge was a one-time charge of \$24.95. With the new meters, Mr. Cylvick thought the iPads would be a justifiable loan purchase. Mr. Cragun remarked that the safety element was another reason. The ability to have a property owner sign off when Trevor or Brody visits their property protects them from liability. Brody also explained that the iPads would be beneficial in the event of a fire.

Brody reported that Phil, with APCO had said the computer was sufficient for now, but once they add on the new Tollgate well and integrate additional telemetry, the computer would need to be upgraded. The computer is a desktop model. Trevor pointed out that they do have a laptop from 2006 but it would need to be upgraded also. Mr. Cylvick thought there was an advantage to purchasing a new laptop or at least upgrading the one they have.

MOTION: Eric Cylvick made a motion to purchase two iPads, covers, and apps through the loan. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick reviewed the 2012 budget that would be presented to the shareholders at the annual meeting. He noted that \$22,500 per year was budgeted to fund the restricted fund balance. Based on that amount, they would have \$300,000 in a restricted fund balance at the end of ten years. Currently there is \$100,000 in the restricted fund balance. Mr. Foster understood that the restricted fund balance was a requirement of the loan. Mr. Cylvick replied that this was correct. As budgeted, the Water Company would end up \$16,000 in the black. Carol had projected a budget increase of 4% for general expenses and income for 2012.

Brody reminded the Board that the next meeting would be the Annual meeting on November 10th at the library. He asked if the Water Company would send out a

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postcard prior to the annual meeting to notify the shareholders that the rates would be increased. Mr. Cylvick asked Brody to contact Carol about sending postcards informing shareholders that the water rate would be increased \$7.00 per month.

Trevor asked about healthcare and commented on the amount he paid out-of-pocket for medical and emergency room charges. Mr. Cragun suggested that Trevor write down which medical services he had to pay for and he would look into which plan would be best. The problem is that many of the insurance companies are changing their plans. Mr. Cragun thought Select Health may still be the best company. Trevor agreed that Select Health was good insurance, but the deductible was extremely high.

Brody and Trevor left the meeting.

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

Minutes Approved

Date