

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 14, 2012

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Suzanne Larsen - Board members present. Bill George and Kelly Cox were available by telephone. Suzanne Larsen was the HOA representative.

Ex Officio: Brody Blonquist

Guest: Dan Kemper, Lot D-19, Sam Scaling, SS Lot, Mr. Terry Larsen I-6

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

Bobcat Springs Proposal

Dan Kemper, Lot D-19, present a proposal from Tom LeCheminant, Lot D-29, to expand Bobcat Springs. The Army Corp of Engineers had visited the site with regards to the proposal. Wildfire implications and enjoyment by the Ranch owners were notable benefits of the expansion.

Mr. Kemper reported that Bobcat was stocked with trout this year and the owners and their children have been fishing. If it were expanded they would be able to add more fish. Mr. Cragun asked if bigger meant deeper. Mr. Kemper answered yes. The current depth is approximately 4 or 5 feet.

Brody suggested that the property be surveyed to verify that it is owned by the Water Company or the HOA. He was also concerned about the house on the corner because their backyard sits towards Bobcat Springs. Brody wanted to make sure that the proposal would not disturb trees or any vegetation within their view or create other impacts to that homeowner. Mr. Cragun remarked that the responsibility and cost of a survey should fall on the owners proposing the project. Mr. Cylvick understood that Mr. LeCheminant was also looking for donations to help with cost.

Mr. Cylvick asked if the Army Corp of Engineers would require an engineered design. Mr. Kemper was unsure. He suggested that State funding might be available based on wildfire prevention and the fact that water could be lifted from the pond. Mr. Cylvick was

not opposed to the proposal as long as all the requirements could be met. He suggested that the proposal be sent to each property owner as an opinion ballot to get their input on whether or not it should be expanded. A postcard would be sent with two or three options to check and mail back. Brody thought the postcard could also provide a way for people to donate if they were interested.

Mr. Cylvick clarified that Mr. Kemper was working with Mr. LeCheminant on the proposal and that the intent this evening was to explain the project and hear feedback from the Water Board. Mr. Kemper stated that it was primarily Mr. LeCheminant's project. Mr. Kemper had donated funds to help add the fish and he expected to be a donor for the expansion. Mr. Cylvick stated that he would also consider donating on a personal level if the proposal was favored by the community.

Mr. Cylvick proposed that the Water Company donate the mailing of postcards to the homeowners. If Mr. LeCheminant could send a written summary of the proposal to Carol Steedman, she could print the cards and send them out. The proposal could also be scanned on the website and the link could be identified on the postcard. That would give people the opportunity to visit the website and look at the picture attached to the proposal. In the meantime Mr. LeCheminant could be working with the Army Corp. of Engineers to fulfill their requirements if the decision is made to move forward. Brody had spoken with Tom LeCheminant and he was prepared to speak with the owners of the house. Mr. Cylvick suggested that Mr. LeCheminant walk the property and measure to see if it was even close enough to consider a survey. Mr. Cylvick offered to go to Google Earth, draw it up and do a place mark, and post it on website under proposed projects.

Mr. Cylvick summarized that Mr. LeCheminant would look into the details, measure the property line, and formulate text for a mailing card and send it to Carol. In the meantime, he would draw up the location and put it on the website. Mr. Cylvick believed it was a great idea if they could make it work.

Mr. Kemper left the meeting.

Minutes – May 10, 2012

Mr. Cragun noted that when the minutes state that the Board approved a reduction of the water usage, it does not indicate that it was requested by the owners. He thought it was important for the motion to clarify that the owner requested it and the Board

approved their request. Mr. Cylvick agreed.

MOTION: Eric Cylvick made a motion to APPROVE the minutes of May 10, 2012 as corrected. Cal Cragun seconded the motion.

Bill George joined the meeting by telephone.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Allwest Communication and Catapultion were for the internet. Armstrong Drilling was for the well. Chem-Tech Ford was for samples done on the system. Clyde, Snow and Sessions were legal fees, EVCO House of Hose were hoses that were made for PRVs. High Mountain Surveying was the survey that was done on Oil Well Road. Horrocks Engineers was engineering for the pipelines. KGC Associates was the bill for Carol's services. Laughlin Water was pulling samples from the well, Mountain States Water Works still showed a credit. Revenue Recovery was collections, Rocky Mountain Power was the typical power bill. Select Health was the health insurance premium. Sinclair Fleet was for fuel. Utah State Division of Finance was the monthly loan payment.

Brody noted that the unpaid bills totaled \$106,944.89.

MOTION: Bill George moved to approve the unpaid bills as presented. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board members reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that 82.4% of the total water assessments had been collected. Owners were still making payments and that income could be expected. He had budgeted \$582,000 and they were currently at \$480,000.

In terms of expenses they were under 30%-40% for most items. Mr. George asked

about the well proposal. Brody replied that it came in under \$8,000. Mr. Cylvick explained that because the well was not producing they still needed to do a development of the well. He met with the well developer and they were proposing to flush out the well little more. They believe the well was clogged with drilling mud. Mr. Cylvick stated that a \$47,000 request was put in for loan money to develop the well. The cost may not be that high, but Mr. Cylvick requested that they add an acid cleansing and anything else that would help. A change order was required through the Division of Drinking Water.

Mr. Cylvick reiterated that they were under budget on most items.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated June 14, 2012. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick noted that very little had changed since the last meeting. The total amount in checking and savings was \$853,764.09. They have drawn down on a \$500,000 advance from the Division of Drinking Water; however, there was still \$494,000 available. Mr. Cylvick pointed out that the total included approximately \$450,000 of Water Company money.

MOTION: Eric Cylvick moved to APPROVE the balance sheet dated June 14, 2012. Can Cragun seconded the motion.

VOTE: The motion passed unanimously.

Brody stated that Board approval was needed on the change order.

MOTION: Eric Cylvick moved to APPROVE the change order in the amount of approximately \$48,000 for development of the Lower Tollgate well in Tollgate Canyon. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Bill George disconnected from the meeting.

Suzanne Larsen noted that she lives in I-Plat and she asked for an update on the Line

that was coming through the back of I-Plat. Mr. Cylvick stated that he got one easement from Rodney Ralson on Elk Road. He also has verbal agreement from the family at I-8. The project is currently out to bid and the bids close on June 22nd. Mr. Cylvick stated that the I-Plat line was going well. The struggle was with the Tollgate well but he believed the problems would be resolved once the well is developed.

Ms. Larsen stated that her husband was wondering about the possibility of getting a small line that goes back into the original lines to avoid the build-up of air and sediment in the lines. Brody replied that I-Plat is located close to Uncle Tom's and it pumps up that way. The main reason for getting the air is that in the summertime the pump runs 24 hours per day six days a week. When that happens, it causes air and sediment in the lines because there is not a large amount of water. Once I-Plat runs off the 200,000 tank, that would no longer occur. Brody stated that with the new well, no one on the Ranch should experience that problem.

Mr. Larsen suggested that solution would be to run a line down and around to hook back into it for better circulation. Brody stated that the problem is that there are so many dead end lines on the Ranch. Flushing out the lines is all they can do because even with circulation, by the time it comes back around they still end up with someone on a dead-end line. Brody noted that they usually try to flush the fire hydrants before June.

Mr. Cylvick believed the I-Plat bypass would be a positive change for those property owners. Brody stated that if the Larsen's would call him when they come up to their property, he would come and flush their lines.

Ms. Larsen asked when Tollgate would be shut down for the digging and for how long. Brody stated that currently they were unsure if it would even take place this year. Once they find out how much water the well is producing, the question is how long it will take to design the pumps and go through the bid process. If it does not fall into place by August 1st, the project would wait until next year. The primary factor is knowing exactly how much water the Lower Tollgate well produces to determine the correct size of line to use.

Mr. Cylvick clarified that the bid would be awarded on June 22nd. He looked forward to being able to lower the pressure on Pine Meadows Drive and to increase the fire flow for I-Plat. If they can get more water out of the Lower Tollgate Well and tie it into the system, the next step would be to build a pump house at the Oil Well parking lot. The

following year they would trench from Oil Well Road up to Bobcat.

Manager Report

Brody reported that a leak was fixed on Pine Meadow Drive in front of a property owner's driveway. The leak started on Friday but because it was too late to get it Blue Staked, they waited through the weekend and it was fixed Monday morning.

Brody stated that the new telemetry computer was installed and running. It was working great. Brody remarked that Phil had advised that the computer should not be used for anything other than the telemetry. Brody took the old computer to Staples and for \$70 it was cleaned up and the viruses were removed. That old computer would be used for the meter reading equipment and other needs. Mr. Cylvick suggested that Brody purchase an external hard drive from Staples for backup.

Mr. Cylvick asked if Carol had a copy of the software they use for the meter readings. Brody replied that the Water Company owns the software and it can be installed free of charge. Brody pointed out that each day he gathers new data he immediately sends it to Carol. Her copies would be another source for backup.

Mr. Cylvick asked how hard it would be to set up antennas to automatically record the readings. Brody stated that he was told it would be very difficult and would require at least ten towers. The equipment cost would be approximately \$50,000, not including the towers. Brody stated that it only takes him one hour and fifteen minutes to read all the meters with the handheld device. Currently they are set up to read the meters the first of every month, but they could read them at any time.

Brody submitted a reimbursement for \$16. He had to pay cash when he filed the Land Use Agreement with the County.

MOTION: Eric Cylvick made a motion to reimburse Brody Blonquist \$16 for the Land Use Agreement that was filed in Coalville. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

HOA Update

Suzanne Larsen had nothing new to report from the Owners Association. She would

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report back to the HOA Board on matters discussed this evening.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:20 p.m.

Minutes Approved

Date