

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, APRIL 11, 2013

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George

Ex Officio: Brody Blonquist, Trevor Townsend

Kelly Cox was excused.

President Eric Cylvick called the meeting to order at 6:45 p.m.

Minutes – March 21, 2013

MOTION: Cal Cragun made a motion to APPROVE the minutes of March 21, 2013. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that \$31,000 was budgeted for excess water and they had collected \$50,000. They were down \$54,000 on the metered water assessment and \$34,000 on the standby assessment for 2013.

Mr. Cragun asked for an explanation of uncategorized income of negative \$90.88. Mr. Cylvick was unsure what that was specifically. He also did not understand the difference between miscellaneous income and uncategorized income.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual and the balance sheet dated April 11, 2013. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody reviewed the unpaid bills. Allwest and Catapultion were for the internet. Clyde Snow and Sessions were legal fees. Delco Western was to replace a submersible pump for the Contact tank. KGC Associates was for Carol's Services. Pine Meadow Water Company was the escrow required by the State. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium. Utah State Division of Finance was the loan payment.

Brody assumed the bill from VanCon, Inc. were the retainers, but it was an arrangement that involved Carol, Dave Dillman and the State DDW, and Brody did not have the retainer report.

Mr. Cylvick asked Brody to contact Carol to review the bill from VanCon, Inc. before the Board authorizes payment.

MOTION: Eric Cylvick moved to pay the unpaid bills dated April 11, 2013, excluding Van Con Inc. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the water system was running well and they had not encountered any problems. They were waiting for the snow to melt and the ground to thaw so they could start working on the PRVs.

Mr. Cylvick noted that a number of lots had frozen lines. Brody clarified that three or four lots actually had frozen lines. The other ones were due to frozen PRVs. They were able to thaw the frozen lines and the PRVs, and currently everyone has water.

Brody reported that all that was left to do at the Tollgate well was to clean up around the building. The engineer told Brody that he was unhappy with some of the asphalt work and he would have that redone when the weather improves.

Mr. Cylvick had received a letter giving approval to test pump the Aspen Ridge well. Brody reviewed a list of recommendations from Bill Loughlin for the Aspen Ridge well.

After they test pump, Mr. Loughlin recommended that they collect and analyze a preliminary water quality sample. The recommendations also included developing a plan to supply temporary water to existing homes; remove and reinstall the existing pump and appurtenances; conduct a down hole video camera survey; and rehabilitate the well, which is optional. Brody did not believe rehabilitation was necessary. Mr. Cylvick thought the well should be scrubbed if it produces sufficient water. Further recommendations were to install/remove test pump; perform step rate pumping tests; perform a minimum 24 hour constant rate pumping test; collect and analyze new PWF Source water sample; disinfect the well; review the information and incorporate in submittals to DDW.

Mr. Cylvick thought they should test the well water before they do anything else. Brody stated that it takes a while to get the test results and that would put everything else on hold. Mr. Cylvick remarked that testing the water was important in order to have a baseline for comparison if problems arise in the future. He suggested that samplings might be sufficient to create the baseline. He asked Brody to talk with Bill Loughlin about a baseline sample.

Brody asked when they should test pump the well. Mr. Cylvick was anticipating the first week in May. Brody set, Friday May 3rd as a set-up date and work would begin on May 6th. Mr. Cylvick would contact John Foster prior to May 5th to inform him that the tanks need to be full when the pump is pulled on May 6th.

Brody reported that Dave Dillman has the plans ready for the pump houses at Oil Well and Bobcat Springs. Brody had asked Mr. Dillman if they could still do the two pump houses if Aspen Ridge only tests pumps a small amount of water and the Water Company decides not to it. Mr. Dillman had said yes. Brody stated that the pump houses would be oversized so if they end up getting water from Tollgate they would be already sized to move the water up the hill. Brody asked Mr. Dillman if they should also do the pump line going up Tollgate when they do the pump houses. Mr. Dillman told him no because they could not justify to the State of Utah a reason for having a bigger line up Tollgate if there is no water from Aspen Ridge to use that line.

Mr. Cylvick questioned why they would change the pump houses. Brody explained that the State of Utah requires a back-up pump in the pump houses. Currently, the Water Company does not have back-up down Tollgate 1 and Tollgate 2. Brody explained that they would come out of the pump house with a 6" line and then reduce it to a 3" line and tie onto the 3" line that is already in the ground. He noted that in planning for the future

the pump houses would be built big enough to deliver water up the hill.

Mr. Cylvick asked if they would put a new pump house on the corner of the Oil Well parking lot. Brody answered yes. Mr. Cylvick clarified that there would be a pump house at Oil Well and another pump house at Bobcat Springs. Brody pointed out that the pump house at Bobcat Springs has to be redone to come into compliance with the State of Utah. A sanitary survey was going to be done on April 21st and they should know more after that survey. Mr. Cylvick asked if Bobcat Springs was still turned on in the system. Brody stated that it was not part of the system but they were still chlorinating the water. Having the chlorinator in the current pump house is illegal by State of Utah standards because they should be stored in separate buildings.

Mr. Cylvick asked Brody and Trevor for their opinion on the amount of water in Aspen Ridge. Brody estimated approximately 40 gallons per minute at the most. Trevor agreed that it was probably 35-40 gallons per minute. They had found a well log showing that 70 gallons per minute was airlifted in a test pump. Mr. Cylvick assumed they would know a more definite amount once the well is test pumped. Brody noted that the well only has a 6" casing which restricts the size of pump they can drop down the well. The logs did not show a static water level and that was still uncertain.

Mr. Cylvick asked how many more gallons per minute were needed for build-out. Brody recalled that they still needed 20-25 gallons per minute to service build-out. Mr. Cylvick estimated that without Bobcat Springs they have 30 gallons from Uncle Tom's, 30 gallons from Tollgate, 5 gallons from lower Tollgate, and 5 gallons from Contact for a current total of 70 gallons per minute. Brody recalled that the requirement was between 90-100 gallons per minute. Mr. Cylvick asked Brody to find out the exact requirement. Mr. Cylvick pointed out that State rules change, but he assumed the Water Company would be grandfathered in. If the Aspen Ridge well can produce 50 gallons per minute and the Aspen Ridge lots get 12.5 gallons, that would leave approximately 38 gallons to satisfy the build-out requirement. He asked if the Board thought 35 gallons per minute would justify the amount of money they would need to spend. Mr. Cylvick pointed out that it was still less than what they spent on the Tollgate well. Brody remarked that the pump line up Tollgate Canyon would be an additional cost.

Brody noted that Keith Trickett, the off-Ranch owner who came to the last meeting, indicated that Axel had sold every lot owner 2 acre feet of water. Brody thought it was important to know whether Axel sold 2 acre feet per lot or for each person per lot, because 2 acre feet per person on ten lots would be a total of 20 acre feet instead of 14

acre feet. Brody stated that one-acre foot was 325,852 gallons per year if the water runs constant. Mr. Cylvick noted that Dave Dillman told him that the Aspen Ridge community was entitled to 12.8 gallons per minute for a total of 6.8 million gallons per year. With no draw down he believed they could pump 50 gallons per minute. Aspen Ridge would get 13 gallons, leaving 37 gallons per minute for Pine Meadow. He asked if that amount was worth pursuing.

Brody thought the answer should rely on whether it gets them to full build-out. If it does not achieve build-out the Board would still be looking for another source. Trevor thought it was definitely worth it if it hits the mark for build-out. Mr. Cylvick believed the Board has an obligation to make sure everyone has the opportunity to build a house on their lot. Mr. Cragun agreed. Brody suggested that the total number of gallons required for build-out could be less because some of the lots were combined. Mr. Cylvick thought they should pursue Aspen Ridge if the water production is close to build-out. If production was slightly under they would still have the option of turning on Bobcat Springs to make up the difference.

Brody understood from Dave Dillman that the State would allow them to use Robert Armstrong as long as the cost remains under a certain amount. It was too late to through the bid process because they were already scheduled to start the pump test. Brody noted that Mr. Armstrong thought he could finish the test in four days.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:17 p.m.

Minutes Approved

Date