

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 26, 2008

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Cal Cragun, Bill George - Board members

Eric Anderson and Dan Heath were excused.

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

Guests: Kay Mitchell, Lot PI-E-97

President Cylvick called the meeting to order at 6:47 p.m.

Unpaid Bills

Brody Blonquist reviewed bills from Catapultion, Coalville Auto, Farmers Insurance, and Ferguson. He noted that the bill from Geary Construction was for 3A minus on Elk Road to fill in after the trench is settled. Other bills included Home Depot, Horrocks Engineering, Humpty Dumpster, Mountain States, Qwest, Rocky Mountain Power, Sinclair Fleet, and Wheeler was for oil rings.

Cal Cragun asked about the Sinclair Fleet bill. Brody replied that it was for filling up the truck, for off road fuel, and for filling the five gallon gas tank. The total amount was \$700.

MOTION: Eric Cylvick moved to APPROVE the unpaid bills dated June 25, 2008. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Minutes

MOTION: Cal Cragun moved to APPROVE the minutes of June 5, 2008 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Public Input

Kay Mitchell, Lot 97 understood the water situation was being changed. He stated that he goes back a long ways and started out with Mike Nielsen 25 years ago. At that time he was asked to make the water tanks and the agreement was for him to make five water tanks in exchange for five acres. Mr. Mitchell remarked that his steel fabrication company had made two tanks and was in the process of making two more when he received a call from Mike Nielsen telling him that Summit County would not approve the five acre subdivision. At that time Mr. Mitchell proposed that he be paid the same amount of money that the property was worth. He was told that the Association had no money to pay and instead wanted to trade the land. After several meetings with attorneys and legal arguments, Mr. Mitchell settled for Lot PI-E-97 and Lot 12. He later found out that there was a lien on the property and he refused to settle until the lien was resolved. That was done and the agreements were signed for those two lots. Mr. Mitchell noted he received no compensation for the third tank he had started.

Mr. Mitchell stated that Brody Blonquist told him he would need to put in a water meter. He has tied into the pipe going under the road and he has been getting his water that way for twenty years. He believes his water bill is paid when he pays his Association dues. Mr. Mitchell has trailers on his property and he could not see why he would need a water meter until he builds a cabin.

Brody explained that twenty years ago Mr. Mitchell was told to hook on to the stub out and they never hooked up a meter. With the new line, Brody told Mr. Mitchell that he would have to have a meter because those stub out connections are no longer allowed. In addition, the law requires a back flow preventer and he needs a meter to have that.

Mr. Mitchell asked about the cost of putting in the meter. Mr. Cylvick clarified that Mr. Mitchell completed two tanks and was in the process of building another tank that the Association was supposed to buy from him, which they never did. However, in return he was given two lots. Mr. Mitchell replied that he was given two lots for the two tanks that were delivered, but he received nothing for the third tank he was working on. He eventually gave away Lot 12 for \$1.00 and grading for his driveway.

Mr. Cylvick wanted to know what the third tank was for. Mr. Mitchell remarked that the original plan was to have five tanks on the hill and he was to receive one acre of land for each tank. Mike Nielsen changed his mind and the deal fell through. Two tanks were delivered and he was given Lots 97 and 12.

Mr. Cylvick told Mr. Mitchell that the Board needed to discuss the situation before making a decision. He would contact Mr. Mitchell within the next two weeks.

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that they were up to 86.5%. This was good because Carol had said they were doing a lot of quarterly billings. Mr. Cylvick expected to get at least one annexation fee this year. He

has noticed a lot of building going on and assumed those property owners had paid their impact fees last year. Brody pointed out that last year they received impact fees in August and September from people who planned to build this year. Mr. Cylvick pointed out that other than over budgeting on fees, everything else was within the 40-50% range of percent of budget.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual for June 25, 2008. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. There were no problems or no comments.

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

VOTE: The motion passed unanimously.

Bill George reported on a letter he had received from the courts on the NOW Recovery matter. The court date is August 20, 2008 at 3:00 p.m. Mr. Cylvick stated that he would be able to attend.

Miscellaneous Business

Mr. Cylvick asked for discussion on Kay Mitchell's situation. Mr. Blonquist stated that 20 years ago Mr. Mitchell would have paid approximately \$50 for a meter. He had found papers dating back to 1992 and people were paying \$63 for a meter. In today's market they are paying \$6500. Trevor felt the issue was about protecting the system from back flow.

Mr. Cylvick pointed out that \$5,000 was the impact fee and \$1,000+ was the cost of the meter and installation. Cragun suggested that they only charge Mr. Mitchell the hard cost for meter and installation. Mr. Blonquist pointed out that the road would already be torn up to put in the main line. Mr. Cylvick agreed with the suggestion to charge for the meter and installation and waive the impact fee. Mr. Blonquist asked if they wanted to go by the actual cost or what they actually charge. He assumed the actual cost would be closer to \$600 or \$700. Mr. Cylvick felt Mr. Mitchell should pay the same as everyone else who installs a meter. He thought they could logically explain to the shareholders why the impact fee was waived, but it would be harder to explain why the meter cost was reduced.

MOTION: Eric Cylvick made a motion to charge Kay Mitchell the typical rate of \$1207 to install a meter. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Mr. Blonquist reported that Grandview is officially done but it was difficult. He thought they should be able to feed water to all of Forest Meadows except Arapaho. This provides a backup during the winter in case anything happens. They expect to start digging the other line on Monday. The Board decided it was best to wait until after the Fourth of July danger to shut down the water for projects. Mr. Cylvick suggested that work on other things until then.

Mr. Blonquist commented on the water pressure problems with Scott Boyle and other I-plat owners. He believes they fixed the problem but only time will tell. He explained that the problem was with a valve at the switchback so they added a switchback shutoff to alternate with the booster pumps so the valves open when the boosters are waiting for water. When the pumps are off they have 120 lbs. of pressure and when the pumps are on they have 70 lbs.

Mr. Blonquist stated that he called someone to scrub the well at Uncle Tom's but he was told that it was best to wait until Fall when there is no more ground water running. A truer test when the water is at its lowest level. Mr. Blonquist scheduled it to be done the first week in September. It should take 2-3 weeks. The bid was approximately \$29,000. Mr. Cylvick stated that because Trevor and Brody do a lot of online work at home, Mr. Blonquist had asked if the Water Company would consider paying their internet service. Trevor already has Catapultion. Mr. Blonquist stated that he tried to use Catapultion but he had to use All West. The Board agreed.

MOTION: Eric Cylvick made a motion that Pine Meadows Mutual Water Company will cover the cost of personal internet service for Trevor Townsend and Brody Blonquist so they can work from home. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick asked if Mr. Blonquist had heard from Karen Tatum with the DDW. Mr. Blonquist stated that she would be back in her office on July 10th and that is when she meets with the DDW Board to present their request for approval. He had sent her all the information she needed. Once they receive approval they should be able to start work.

Mr. Cragun reported that he had sprayed all of Bob Cat and the parking lot area. He had also sprayed Arapaho and some of Pine Meadow up above Bob Cat. He believed they were getting the weed under control. He noticed that the weed was heavy at the bottom where you get off the freeway and he thinks he will have to walk that area to spray.

Brody and Trevor left the meeting.

Mr. Cragun pointed out that after reading the letter regarding NOW Recovery it is apparent that the Constable was unable to serve them. The court date is still set and if a

representative from NOW Recovery does not attend, Pine Meadow would win on that basis. At that point they need to try to attach their bank account to the judgment.

Mr. Cylvick noted that Mr. Blonquist had requested a cost of living increase to cover fuel and other costs. He asked the Board members to consider giving them some type of increase. Mr. Cylvick asked Mr. Cragun to find out from Carol when they were given their last raise and how much they were given. He suggested that they set a review time of every six months to look at salary increases.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:43 p.m.

Minutes Approved

Date