

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 7, 2008

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Cal Cragun, Dan Heath – Board Members

Eric Anderson and Bill George were excused.

Ex Officio: Brody Blonquist - Water System Manager, Trevor Townsend

Guests: Scott Boyle, Chuck Tarver

President Eric Cylvick called the meeting of the Pine Meadow Mutual Water Company Board of Trustees to order at 6:30 p.m.

**Minutes**

MOTION: Cal Cragun moved to approve the minutes of July 10, as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

**Unpaid Bills**

Eric Cylvick asked if certain bills had been paid. Cal Cragun explained that the Board had approved payment at the last meeting and Carol had asked him to transfer \$60,000 so the bills could be paid.

Brody Blonquist reviewed the unpaid bills. The bill from Apco Inc. was for a relay that he needed for the auto dialer to work. Capital One was the credit card payment. The bill from CatapulSION was the internet service. Coalville Auto and Farm Supply was for grease and tiles. Delco Western was for springs for the PRV. The bill from Duracrete was for the vault. Ferguson Enterprises was for small parts. The bill from Home Depot was for concrete. Humpty Dumpster is for their dumpster. The bill from J.E. Excavation was for work that was done last Thursday. KGC Associates was for Carol's services. The bill from Komatsu Equipment was to replace a blown hose on the trackhoe. Mountain States water works was for 12" parts and miscellaneous parts needed for the PRV and other work. The bill from Pumpers Plus for \$100 was to fix a leak in the septic tank. Qwest and Rocky Mountain Power were typical monthly charges. The bill from Staples was for copies of the shop plans. The bill from Summit County was for samples. USA Blue Book was to purchase a new hot tap. Mr. Blonquist explained that a hot tap en-

ables them to tap the lines while there is still water in them to give people their service line. Verizon Wireless was a typical monthly bill for the cell phones.

Cal Cragun asked if the dumpster was a one month cost. Mr. Blonquist believed the charge was for a dump and one month cost.

MOTION: Eric Cylvick moved to APPROVE the unpaid bills for August 7, 2008 in the amount of \$69,679.

He assumed everything could be applied to the loan amount for the project with the exception of typical monthly bills.

Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Blonquist presented additional bills that were not included on the list of unpaid bills. The first was from Ed Erckanbrack. He explained that Ed Erckanbrack brought up his bulldozer for a couple of days when they did the shop. The amount of \$3,500.50 included truck time and hauling gravel. Mr. Blonquist presented a separate invoice for \$700 from Dane Erckanbrack, Ed Erckanbrack's son, for his truck time and for hauling gravel. Mr. Cylvick remarked that the invoices from Ed and Dane Erckanbrack was for the new shop and could be applied to the loan amount. Mr. Blonquist presented an invoice from Sliver's Inc., the contractor for the new shop. The invoice included the concrete slab, the walls, and other items in the amount of \$60,391. He assumed the Board would approve these charges the same as they do Jed's bill. Mr. Cylvick clarified that the charges were for work done to date. Mr. Blonquist replied that this was correct, with the exception of the slab, which is being poured now.

Mr. Blonquist noted that the contract with Slivers Inc. basically says he will not exceed the bid amount. Mr. Blonquist asked the contractor to add a \$10,000 contingency in case the Board decides to change something as they go along. He noted that the trusses on the old shop had to be reinforced but they did not know that until all the bids had come in. The \$10,000 contingency can help absorb that cost. Mr. Blonquist gave Mr. Cylvick the contract to review before signing. Mr. Cylvick worried about handing the contract to the State with a 10% contingency. He thought the contract needed to identify specific price to do the work. Slivers Inc. may need to re-write the contract and estimate a fixed cost for additional work into the bid.

Mr. Cragun asked what the 35% represented in the invoice from Slivers, Inc. Mr. Cylvick believed it showed that the amount was 35% of the total contract price. However, with the 10% contingency added to the contract, that percentage was incorrect.

MOTION: Eric Cylvick made a motion to approve and pay the bill to Slivers Inc. in the amount of \$60,391.80 for work done to date on the shop, with the stipulation that the

contract will be rewritten to include a fixed price on reinforcing the trusses and a new invoice #196 will be submitted showing the correct percentage.

Mr. Cragun pointed out that the percentage will change again once Slivers Inc. rewrites the contract to show a firm figure. Mr. Cylvick clarified that he was not questioning the contractor, but he just wanted correct numbers for the State.

Mr. Cylvick reiterated his motion. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Eric Cylvick made a motion to approve the invoices for Dane Erckenbrack in the amount of \$700 and Ed Erckenbrack in the amount of \$3,550. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

### **Public Input**

Scott Boyle, Lot PI-I-218, asked if the Water Company had any leftover dirt. Mr. Blonquist stated that four or five people have already staked claims on any available dirt. Mr. Boyle asked if it would be possible to put dirt around the fire hydrants in front of his place so people can turn around there. Mr. Blonquist commented on the amount of digging they still have to do and he assumed they would eventually have dirt available for the hydrants.

Mr. Boyle appreciated what the Water Company did in adjusting the valve and increasing the water pressure. However, he wanted the Board to be aware that it has caused a different problem because now everyone below him has too much pressure. He commented on the problems Bill Broyles, Lot PI-I-33, is having. Brody and Trevor explained that they have spoken with Mr. Broyles and offered to help him fix the problem.

Chuck Tarver, Lot FM-D-165-B, wanted to know when they could expect to get water back on Bull Moose. Mr. Blonquist was uncomfortable giving a specific date but he told Mr. Tarver that they were getting close. He estimated they would have water in approximately two weeks; however, when they reach the intersection of Arapaho and Forest Meadows they will be without water again until they turn the corner and go up to Grandview. After that the water will be back on. Mr. Blonquist explained that the problem is getting the bacteria out of the lines. They flushed for a week and could not get a bacteria sample to pass. They finally had to dump chlorine and let it sit over the weekend. Mr. Blonquist stated that his goal is to have the water turned on for Forest Meadows a week from Friday.

Mr. Tarver noted that he had met with the Board last April and requested a reduction in the water bill that the County had passed on to him prior to purchasing his property. He explained that the County was never billed for a piece of property. When he purchased

the property from the County it was not disclosed because the County was unaware of it. He was faced with a bill starting from 1999 in the amount \$3325. Mr. Tarver stated that he has owned the property for approximately two years, which is when he received the invoice. He understood the Board grants a one-time reduction for property owners who have line breaks and he was asking for some type of consideration for his situation.

Mr. Cylvick could not recall the Board's decision when they met with Mr. Tarver in April. Mr. Tarver stated that the Board had not made a decision. Mr. Cylvick explained the procedure for unpaid balances over a year delinquent. The property is listed with the County on the notice of unpaid assessments and the when the title is transferred to a new owner the delinquent balance is picked up. Dan Heath did not think the Board had started that process when Mr. Tarver purchased his property.

Mr. Cylvick pointed out that the difference between Mr. Tarver's situation and someone with a water leak is that Mr. Tarver's bill is a standby fee that contributes to paying for the water system. This bill should have been paid all along and it is money that is owed to the Water Company. Mr. Cylvick did not think it was unreasonable for the Water Company to ask for the full amount and he did not believe the one-time reduction was set up for this type of reduction.

Mr. Cragun wanted to re-read the clause in the bylaws to make sure but he thought Mr. Cylvick was right in his interpretation. Mr. Cylvick clarified that the County owned the property until Mr. Tarver purchased it two years ago on a tax sale. Mr. Tarver replied that the County acquired the property through a tax sale seventeen years prior to his purchase. He bought it from the County two years ago on a straight purchase.

The Board discussed the regulations for tax sales and the circumstances under which the County and Mr. Tarver purchased the property. Mr. Tarver noted that he receives two bills. One is for the charges prior to his purchase and the second is the current bill since he has owned the property. He has already paid the current bill. Mr. Heath recalled that if a property is sold for taxes it extinguishes money owed and the Water Company would not be able to pass that on to a new owner. Mr. Cylvick agreed and stated that he misunderstood the situation. Mr. Cylvick offered to speak with the attorney, Ted Barnes, to see what recourse they have and if they can do anything to help Mr. Tarver. Mr. Tarver wanted the matter resolved before it goes to collection. Mr. Cylvick will contact Mr. Tarver after he speaks with Ted Barnes.

## **Financials**

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

MOTION: Eric Cylvick made a motion to APPROVE the profit and loss/budget versus actual as presented. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Cal Cragun had transferred \$60,000 as mentioned at the beginning of the meeting.

MOTION: Cal Cragun made a motion to APPROVE the balance sheet as presented. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick commented on the situation with Mr. Tarver and believed the Water Company could only charge him for the two years since he purchased the property.

### **Miscellaneous Business**

Mr. Cragun reported that the new collection agency is working wonders. They are going after those who owe and money is starting to come in. Mr. Cylvick asked if the new collection company could go after Now Recovery. Mr. Cragun stated that he would ask Carol to inquire as to whether they can do that. He had asked Carol to send a card from the Water Board to her client thanking them for the referring this collection company.

Mr. Cragun understood that Now Recovery had accepted two payments and cashed the checks. He wondered how they could manage to cash the checks if they are out of business and cannot be found. Mr. Cragun suggested that they have Carol gather all the information she can and then talk to Ted Barnes. They need to address this before it happens again.

Mr. Cylvick stated that Eric Anderson had received an email wanting to know how Jill and Matt Brown had obtained a water letter. Mr. Cylvick clarified that they did not get a water letter. He had sent a letter indicating that the lot was requesting annexation and the request would be considered by the Board and any vote would be based on the Rules and Regulations and the Bylaws. Based on that letter, the County issued a permit. Dan Heath suggested adding "this is not a certified approval for a water letter" when letters are written. Mr. Heath stated that the Homeowners are concerned because the Browns have not submitted plans or paid impacts. Mr. Cylvick pointed out that part of the rules and regulations for an annexation is that the owners must join the Homeowners Association. He also indicated that they had not paid the annexation fee. Mr. Cylvick would contact the Browns to discuss annexation procedures.

Mr. Cylvick stated that the bid for the shop is \$182,548 for the shop. He wanted to know the original bid for the electrical. Mr. Blonquist noted that the bid from Chesley last year was approximately \$20,000. He also obtained a bid from Ridgeline Electrical for \$9,000. He had not yet received a bid from the third contractor. Mr. Cylvick estimated \$30,000 for the electrical work based on the increase in material costs. He noted that the two additional items they requested to be included in the loan was the shop and the electrical work. He asked if there was anything else. Trevor stated that there is nothing beyond what they had budgeted for the shop because they were going to do it them-

selves. Brody stated that the budget would cover the septic tank and the truck to haul the gravel to set the tank on. Those items were not included in the bid. Mr. Cylvick estimated that the additional items added would bring the cost to \$189,798 plus \$30,000 for the electrical work for a total of \$219,798.

### **Manager's Report**

Mr. Blonquist reported that Jed and his crew are moving along really well. Next Monday, Tuesday and Wednesday Jed plans to pull off the pipeline and come back to do services. Mr. Blonquist believes this is wise to do because everyone has water in the pipeline but nobody has services.

Mr. Heath was curious about a comment Mr. Blonquist had made about people tapping into the lines illegally. Mr. Blonquist stated that as they dig, they are finding a number of old black poly lines that were used to stub out to the properties. If the property has a meter the lines are hooked back up. Those without meters are not connected. Mr. Blonquist suspected that some people are hooking on to those old lines and filling their storage tanks. Trevor commented on one incident they found last year where the property owner was getting water but it was bypassing the meter. They have reason to think that other property owners are doing the same thing on the line going over to Forest Meadows.

The regular meeting of the Pine Meadows Mutual Water Company Board of Trustees adjourned at 7:41 p.m.

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Minutes Approved

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Date