

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 21, 2008

SUMMIT COUNTY, UTAH

Board Members in Attendance: Cal Cragun, Bill George, Dan Heath - Board members

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

Cal Cragun called the meeting to order at 6:45 p.m.

Minutes

MOTION: Cal Cragun moved to APPROVE the minutes of August 7, 2008 as written. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Bill George referred to page 3 and wanted to know why the profit and loss was showing a negative \$55,000. He asked if it represented an amount less than what they anticipated collecting. Brody Blonquist replied that it is meant to show that they are out \$55,000. Mr. George noted that the next column indicates that they had budgeted to be out \$318,000. Mr. Blonquist thought it related to the loan. Mr. George was comfortable waiting to have his question clarified at another meeting.

MOTION: Cal Cragun moved to ACCEPT the profit and loss, budget versus actual as presented. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cragun reported that he intends to set up an online account so he can closely monitor the Zions Bank account. He noted that they have \$125,000 in the Zions money market, a second money market has \$38,000, there is \$25,000 in the checking account, and \$5,000 in an escrow account. He pointed out that they need approximately \$140,000 to pay the current bills and he hoped they would get the draw in time to pay those. Dan Heath asked why they have \$5,000 in escrow. Mr. Blonquist explained that they are required to have an escrow account for the loan.

Mr. Blonquist noted that they have nearly \$129,000 in the total restricted fund balance and asked if they earn interest on that account. Mr. Cragun replied that it does earn interest. He will verify to make sure because it was not showing interest.

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

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. All West Communications was two months connection to the internet for Brody. Apco Inc. was for a new output relay for the digital dialer. Cata-pulsion was the internet service. Delco Western was for new pilot springs and field service. Duraconcrete was for the tank that was delivered and risers. He noted that \$3,000 of the Ferguson Enterprise bill was for risers and the remaining balance was for miscellaneous parts. Geary Construction was for sand and gravel on the project. Home Depot was for concrete, a new saws-all and miscellaneous parts. Mountain States Water Works is where they purchase the majority of large parts. Qwest was a typical monthly bill. Sinclair Fleet is for fuel. Slivers, Inc. is the contractor for the new shop. USA Blue Book was for a new hot tap.

MOTION: Eric Cylvick moved to APPROVE the unpaid bills for August 21, 2008. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

Dan Heath asked why they have two internet systems. Mr. Blonquist explained that the Board had authorized the Water Company to pay for Brody and Trevor's personal internet because they use it for work.

Mr. Blonquist presented a bill from J.E. Excavation for the main line being dug out. The pipeline work was \$38,900 and the truck time was \$9,050. The balance left showing on the project was \$117,698 for his time and \$86,000 for the truck time.

MOTION: Cal Cragun moved to pay J.E. Excavation \$39,900 and \$9,050. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Correspondence

Mr. Cragun read a note from Carol stating that Dale Sargent has a water meter but claims he has not used the water since 2002. His last payment was received in 2004 and no payments have been made since the increase. He is ready to go to collection on Tuesday, August 26th. With adding a collection fee he will owe \$5,400. Mr. Sargent says he does not have a connection to water. Carol asked how she should respond to his letter where he says that he is not obligated to pay for a service he is not receiving nor plans to receive.

Mr. Blonquist suggested that the Board table this matter until Eric Cylvick is present. Mr. Cragun stated that the request from Dale Sargent in his letter dated August 9, 2008 would be tabled to another meeting.

Mr. Blonquist asked if Carol should wait before sending the account to collections. Mr. Cragun directed Carol put a hold on sending Mr. Sargent's account to collections. He also asked her to send Mr. Sargent a letter informing him that the Board tabled his request until the next meeting.

Mr. Heath thought everything is supposed to be done through Dale Sargent's brother, Don. Mr. Blonquist agreed and asked Carol to send the letter to Don Sargent. He also asked that Carol let Mr. Sargent know that the account would not be sent to collections pending a discussion with Eric Cylvick and the Board members.

Mr. Cragun read another note from Carol indicating that D.J. Jones, PI-D-33, Beaver Circle was requesting a one-time reduction for his excess water use. Last September the water line blew under the house and caused 64,590 gallons in excess. He has paid \$991 towards his invoice of \$3,043. Carol asked how she should respond to his request.

Mr. Blonquist clarified that Mr. Jones did have a leak. The Board agreed to grant him a one-time reduction. Mr. Cragun asked Carol to send Mr. Jones a letter explaining how the one-time reduction works.

Mr. Cragun reported that he and Carol went to Summit County Third District Court and Now Recovery did not appear. The Judge was not there but an interim judge requested that Pine Meadow send a letter to him. Carol prepared the letter and Bill George and Dan Heath reviewed it. Mr. George and Mr. Heath thought the letter was sufficient as written. Mr. Cragun asked Carol to call Eric Cylvick to see if he wanted to sign the letter before it goes out. If not, she should send it with his name on it.

Manager's Report

Mr. Blonquist reported that everything is going great on the line and they put in over 400 feet today. Forest Meadows will be left on until after Labor Day, with the exception of Arapaho.

The person who is going to scrub the well wanted to come earlier. Brody asked him to hold off until the middle of September because the tanks are low due to all the new projects.

Mr. George asked how long the scrubbing process would take. Mr. Blonquist believed it would take approximately two or three weeks. Mr. George pointed out that it needs to be done before it snows. Mr. Blonquist thought it would be done by the end of September.

Mr. Blonquist reported that they have started building the shop.

Everything else is going great. Once they turned on Forest Meadows they have not heard any complaints.

Mr. Blonquist requested that the Board consider giving a raise to Antonio, a summer employee. He is a hard worker and he knows how to run every piece of equipment. He is currently earning \$13 and Mr. Blonquist would like it rate increased to \$14 for the rest of the summer.

Cal Cragun felt they should increase Antonio to \$14 an hour if Mr. Blonquist thinks he is that valuable. The Board agreed.

MOTION: Mr. Cragun moved to increase the pay rate for Antonio from \$13 to \$14, effective the next pay period.

VOTE: The motion passed unanimously.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:05 p.m.

Minutes Approved

Date
