

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 11, 2009

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Cal Cragun, Hutch Foster - Board members

Bill George and Brian Zelch were excused.

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

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

Minutes - MAY 14, 2009

MOTION: Eric Cylvick moved to APPROVE the minutes of May 14, 2009. Cal Cragun seconded the motion.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. The bill from All West was internet service for Water Company business that Brody does at home. The Catapulsion bill was for internet service at the office. The bill from Chem-Tech was for all the samples. The bill from Coalville Farm Supply was for trailer lines and grease for the truck. The Ferguson Enterprise bill was primarily for work done at Bobcat Springs. The bill from Geary Construction was for loads of material for the leak that was fixed on Pine Meadow Drive. KGC was Carol's bill. Mountain States Water Works showed a \$19,000 credit. Rocky Mountain Power was the monthly power bill. Sinclair Fleet was for fuel. The bill from Staples were binders for the maps. USA Blue Book reflected a credit for a part that was returned. Verizon Wireless was the monthly bill. The bill from Whitehouse and Company was to prepare the income tax return for 2008.

Mr. Blonquist reported that all the Verizon Wireless charges are now combined under one account.

MOTION: Eric Cylvick moved to pay the unpaid bills as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Financials

Eric Cylvick reviewed the profit and loss/budget versus actual. He had budgeted \$300,000 as money collected from owners with cabins for both metered and excess water charges. The standby fees total approximately \$146,000. Therefore, those using the water pay more for that use.

Mr. Blonquist noted that they were under budget on meetings and travel. Mr. Cylvick pointed out that they were over budget on vehicle equipment.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated January 1st through June 11th, 2009. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick noted that total assets amount to \$5,673,517. He pointed out that approximately \$33,000 would be spent on scrubbing the well. Mr. Cylvick stated that they would have another \$35,000 to put towards the loan. Five years ago he estimated that they would need \$2.6 million and he obtained a \$3.7 million loan. Currently the loan amount is at \$3 million. Mr. Cylvick noted that the new shop was not included in his estimate and neither were the PRV's and other items.

MOTION: Cal Cragun moved to APPROVE the balance sheet. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Miscellaneous Business

Carol had sent a note indicating that no payment had been received from Joe Rush since Ted Barnes had sent his attorney a letter. Mr. Cylvick stated that he had received a letter from Mr. Rush's attorney with a long laundry list. Mr. Barnes had no intentions of addressing each item and he let the attorney know that there were discrepancies between the way Mr. Rush and the Board of Directors viewed the situation. Mr. Rush's attorney came back with another offer and Mr. Cylvick refused.

Mr. Cragun reported that he had moved \$45,000 from the money market to the checking account.

Manager's Report

Mr. Blonquist reported that Dewey Peterson started the well scrubbing last Tuesday. The well was 750 feet deep to the bottom. Mr. Cylvick thought the well log showed 900 feet. Mr. Blonquist agreed and stated that not everything was exactly accurate. Mr. Cylvick asked about the number of percolations. Mr. Blonquist believed there were 20

or 30 holes. Mr. Blonquist stated that when the well was pulled you could faintly hear water running. After the scrubbing, you could hear it clearly. They would need to see how the well tests next week.

Mr. Blonquist reported that the fence post were done by the 500,000 gallon tank. He expected to have the fence up tomorrow.

Mr. Cylvick suggested that they have a discussion about Tollgate once they know how Uncle Tom's performs. Mr. Cragun asked if they should consider making a quick decision while the equipment was already up there. Mr. Cylvick asked Brody to see if Mr. Peterson would look at Tollgate and give his opinion. Mr. Cylvick stated that another option is to drill another well next to Tollgate. Mr. Blonquist suggested that they finish Uncle Tom's and the day that is done, ask Mr. Peterson to pull Tollgate and camera it. He stated that the pump could be set at 350 feet and the well might be 800 feet deep.

Mr. Blonquist commented on Larry Holt, a property owner who previously attended a Board meeting because he thought his meter had been read wrong. He noted that the meter was tested and everything was fine. They were off by two gallons but there was a loose connection and water was spraying out. They all agreed that the two gallons was lost through the leak.

Mr. Cylvick suggested a new procedure for reading the meters. In September, Brody and Trevor should read the meters and for any property that reads over 20,000 gallons, they should re-read the meter with a Board member present and record it. The property owner would then be informed immediately via a standard form letter. Mr. Cragun favored that procedure. Mr. Cylvick asked Brody to ask Carol to draft a standard form letter and to post the procedure on the website.

Mr. Foster stated that Mr. Blonquist had received an angry phone call from someone on Arapaho and suggested that person contact Mr. Foster. He explained that the gist of the phone call was that Arapaho is dangerous and undriveable and that the Water Company should have restored it to its previous condition. Mr. Foster stated that it was impossible to explain to the caller that the road was top soiled before and it is top soiled now. The only difference is that now the soil is loose because it has not had twenty years to pack down. He was told that a previous Ranch Manger, Fitzgerald, had hauled gravel out of the pit and at one time it was a gravel road. Mr. Foster stated that the Homeowners Association should acknowledge that their agreement with the Water Company is that the Water Company will gravel roads that had gravel before and roads that were top soil would remain top soil. The HOA needs to acknowledge that the Water Company has covered sections of roads that have never had gravel. Mr. Foster noted that the caller made the argument that if the road was driveable before but it is not driveable now, the Water Company should do something about it. Mr. Foster was unsure if that was the responsibility of the Water Company, but clarified that the HOA would not have the budget to do roads this year.

Mr. Cylvick remarked that the Water Company is off of roads and moving on to wells and he did not intend to spend additional money. He felt that because the water system is better and Jody has made the roads better, people will continue to expect more.

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

Minutes Approved

Date