

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, NOVEMBER 4, 2010

KIMBALL JUNCTION LIBRARY

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George, Brian Zelch - Board members

Ex Officio: Brody Blonquist, Trevor Townsend, Carol Steedman

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

Managers Report

Brody Blonquist reported that the water meter kept freezing on Mike Bowen, Lot FM-C-47-AM, because the PRV kept freezing down the road. He and Trevor found a closed valve off the house that prevented the water from coming up and around, and that valve has been opened. In addition, they put an concrete blanket inside the PRV. Brody believed those two items would fix Mr. Bowen's freezing problem.

Brody stated that everything was winterized. The heaters were turned on in the pump houses and they are making sure the system is ready for winter.

Brody noted that the only other current activity is drilling the well below.

Mr. Cylvick reported that the well was drilled to approximately 100 feet and they hit a small four feet thick fractured sandstone pocket. At that point the well was producing 10 gallons per minute. The drilling continued through layers of clay and shale until approximately 345 feet when they hit a vein of fractured sandstone, which produced 40 gallons per minute. As they continued to drill the water production kept increasing. Because there is so much water it is difficult to tell where it is coming from. Mr. Cylvick stated that Robert Armstrong believes they could easily pump 150 to 200 gallons per minute. Mr. Cylvick remarked that the well was spec'd to 500 feet and the drilling is still under 400 feet.

Mr. Cylvick stated that the well needs to be capped and filled with grout because it is a test well. However, they can drill adjacent to it when they are ready to drill the actual well. Bill George asked about the policy. He could not understand why the test well could not be utilized. Brody explained that a well must be drilled according to State

specs, which is a significant expense. Brody stated that when they are ready to drill the well, Armstrong Drilling could set their drilling rig at an angle and go down and hit the same hole as the test well.

Mr. Cylvick reported that Amendment C had passed and the Water Company would not have to pay property taxes next year. That resulted in a savings of \$30,000. Mr. Cylvick stated that there was approximately \$140,000 left on the current loan payment. He recalled that the well spec'd out at \$66-68,000. They did the test pumping and had to haul more water than planned because of the production. Mr. Cylvick noted that Bill Loughlin and George had visited the well site. After Salt Box came up dry, he spoke with both of them about drilling a test well and they offered to help by reducing their costs. Mr. Cylvick stated that Robert Armstrong said he would design a well for the Tollgate site at no charge, or they could pay Bill Loughlin and George to design a well they could put out to bid. If they have the money, Mr. Cylvick supported doing an official well design so when they decide to drill an actual well, they would already have a bid package. The Board would need to make that decision and he would ask Mr. Loughlin for a cost estimate. Mr. Cylvick pointed out that the water production is good and the water is crystal clear.

Mr. Cragun suggested that they announce on the website that Amendment C had passed and thank those who made an effort to vote. Mr. Cylvick also thought they should announce the results of the test well on the website.

Unpaid Bills

Brody reviewed the unpaid bills. All West and Catapulsion was for the internet. Coalville Auto and Farm Supply was for tools. The bill from Ferguson was for small parts. Immersion Consulting was an annual renewal payment for the internet. The bill from KGC was Carol's services. Mountain States Water Works still showed a credit for returned parts. Regence Blue Cross was health insurance. The bill from Revenue Recovery was the collection agency. Carol explained that the Water Company receives the money, including all fees, and Carol sends Revenue Recovery their fee. The bills from Summit County were the property taxes. Utah State Division of Finance was the loan payment.

MOTION: Eric Cylvick made a motion to APPROVE the unpaid bills dated November 4, 2010. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Financials

Carol stated that she had intentionally left off the profit and loss because it was part of the annual meeting. She had included the balance sheet for their review. Mr. Cylvick noted that there was \$224,917 combined in the checking and savings accounts. The total water company assets were \$4,954,179.79. Carol stated that the assets included

the water system. Mr. Cylvick noted that the full loan was \$3.6 million and he anticipated borrowing slightly under that amount when the projects are completed. Carol reviewed a breakdown of the loan showing that they had spent \$191,000 this year. Mr. Cylvick anticipated spending another \$75-80,000 from the loan.

MOTION: Brian Zelch made a motion to APPROVE the balance sheet dated November 4, 2010. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 6:45 p.m.

Minutes Approved

Date