

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, FEBRUARY 17, 2011

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

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

Ex Officio: Brody Blonquist, Trevor Townsend

President Eric Cylvick called the meeting to order at 6:40 p.m.

Minutes

MOTION: Cal Cragun moved to APPROVE the minutes of the January 20, 2011 Board of Trustee meeting. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that the metered water assessments received for 2011 was at 74%. The standby fees were close to 80%. Mr. Cylvick remarked that they were only \$139,000 below what he had budgeted. However, the budget included a \$75,000 loss.

MOTION: Eric Cylvick made a motion to APPROVE the profit and loss/budget versus actual dated February 16, 2011. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick suggested that they move some of the money in the Brighton account over to Zion Bank, since the interest rate was .04% of a percent higher. There was \$154,000 in the money market. Mr. Cylvick thought they would only need to leave \$50,000 in the money market to keep it active. He noted that the interest rate was .02% at Brighton and .06% at Zions. He proposed to move \$100,000 from Brighton Bank to Zions Bank. The Board concurred.

Mr. Cylvick noted that the payable amount on the loan was \$3.2 million.

Mr. Cragun questioned the \$365,000 difference on the balance sheet. Mr. Cylvick assumed that the difference was the money spent last year on the loan.

MOTION: Eric Cylvick moved to APPROVE 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 for the internet. Catapultion was for the internet. The bill from Clyde, Snow and Sessions were legal fees.

Mr. Blonquist noted that \$146.59 of the Evco bill would be reimbursed by the HOA. The charge was for hoses needed for the grader. He let Jody charge the parts because the Water Company has an account which saves 20-30% on parts.

Horrocks Engineers was the retainer fee. KGC Associates was Carol's bill. Mountain States Water Works still showed the credit. Revenue Recovery was the collection agency, Rocky Mountain Power was the typical monthly bill. The bill from the State of Utah Division of Water was the loan payment. Verizon Wireless was the monthly bill for cell phones.

MOTION: Cal Cragun made a motion to pay the unpaid bills in the total amount of \$22,887.59. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Follow-up Business

Carol had forwarded a letter from Summit County showing that the Water Company was exempt from personal property taxes.

Carol sent a note informing the Board Members that the Water Company received a settlement payment of \$10,925 on the Joe Rush matter, PI-D-5.

Carol had attached a letter regarding the Bruhl property. Based on the letter, it appeared the matter would go to trial.

Brody commented that Mr. Loveridge, Lot PI-C-45-A, is hooked to the water line. Trevor and Brody know where the meter is. It was tied back in and the owner can still run his tanks. Brody stated that the protocol is when

a new meter is installed, it is turned off. He did not believe the owner had turned on the meter. Brody was unaware of the problem until this evening and he would contact the property owner.

Regarding the person who claimed he was being denied standby water to his lots, Brody noted that he is right on the water line on Navaho Drive and can get water. It was suggested that the owner may not understand what standby water means. Mr. Cragun suggested that Brody refer the property owner to the explanation on the internet. Brody noted that Loveridge owes approximately \$6,000 and has not paid since 2006. Based on that information, Mr. Cylvick was prepared to foreclose on Mr. Loveridge's water share if he does not give Brody a satisfactory response. Brody stated that he would contact the property owner and explain the situation. Mr. Cylvick was unsure why the account was allowed to go this long without collection action. He asked Brody to talk to Carol about it.

Manager's Report

Brody reported that currently there was a leak on the Ranch that was running approximately 30 to 40 gallons per minute. The tanks are not gaining or dropping, until he starts to pump up to the 200's. He presented a map and noted that the blue outlines indicated everything they were able to isolate and shut off. The tanks did not gain, which means the leak is not in the blue area. Brody remarked that the areas identified in red cannot be isolated because it is off the pump line. They could shut down the line, but they would have to shut off the pumps, which in turn, does not let water into the tanks and the level begins to drop.

Brody stated that he and Trevor isolated what they could and made a list of all the meters on that road. Mr. Cylvick had told him to begin contacting the owners to let them know about the leak and ask them to dig up their meters. Brody estimated that there was enough water in the tanks to last a month to a month and a half. He hoped to find the leak before they ran out of water, but he wanted the Board to understand that running out of water was a possibility. The area shown on the map was all of Pine Meadow Drive and part of Arapaho.

Mr. Cylvick pointed out that 27 meters were involved. They were losing approximately 35 gallons per minute, which is a 3/4" open line, and that indicated that it was probably a meter. Brody noted that the leak occurred when they had sub-zero temperatures the second week in February. Brody clarified that it was also possible that the leak could be

in the pump line. He estimated that since the beginning they have lost 510,000 gallons of water.

Trevor stated that if they cannot find the leak by next week, they will push the snow off of Pine Meadow Road and check the water line. Hopefully the leak would surface if it is in the main line. Brody explained why the snow would need to be pushed off with a backhoe.

Brody stated that Brian Myers would charge \$85 to dig up a meter if an owner wanted him to do the work. Brody felt this was an example of the benefit of marking meters. People do not understand the time that would be saved if the meters were marked and easily identified. Brody remarked that the Board made the right decision in building a storage tank because it provided water for a longer time. Without that tank the water would already be gone. Mr. Cylvick was confident the leak would be found.

Brody pointed out that if they had the Tollgate well, losing water would not be an issue because they could shut down Pine Meadow Drive. He had calculated the numbers for a special assessment to do the Tollgate well. The total cost was estimated at \$1.2 million for the well, the line, the new pumps houses and the new pumps, which equates to \$1500 per lot at approximately 760 lots.

Mr. Cylvick suggested that they keep with the original plan to see how they do this year and then look for new money next Fall.

Brody reported that Carol has a new program called Smart Sheet. It keeps all the information on individual lots. There is an app for it through the iPhone and Verizon now has iPhone. Brody explained how the program works on the iPhone. He noted that the app electronically stamps the date and time when information was submitted on a specific lot, and that information would hold up in court because the dates and times cannot be changed. If he could readily access that information, he would not have to wait to contact Carol. He would have numbers, addresses and pertinent information on his iPhone. The app was \$10/month, but Carol had purchased a license and the app for the iPhone comes with her license.

Mr. Cylvick favored the program because it was a reasonable expense and provided Brody with a way to obtain immediate information, particularly if he is in dispute with a property owner. As an example, Brody noted that if they had that capability this evening, they would have been able to use the iPhone to see for themselves whether Mr. Loveridge had been sent to collections. That would have eliminated the step of having to ask Carol and waiting until the next meeting.

MOTION: Eric Cylvick made a motion to look into using the app and the iPhone. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick pointed out that eventually Brody would be able to operate the entire water system from the iPhone.

Miscellaneous Business

Mr. Cragun reported that he, Eric Cylvick, and Bill George sign with Brighton Bank. Due to the privacy law, the Bank needed their permission to allow Carol the ability to access the account to check balances and pull statements. All three signed the required form to submit to the bank.

Brody stated that he and Trevor had not received their new insurance. Mr. Cragun offered to check on it.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:22 p.m.

Minutes Approved

Date