

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, APRIL 14, 2011

SUMMIT COUNTY, UTAH

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

Ex Officio: Brody Blonquist, Trevor Townsend

Guests: Storm Madsen, Lot A-52, Sam Scaling, Geoff Cooper, Lot F-54, Tom Deaver, Lot E-71.

President Eric Cylvick called the meeting to order at 6:32 p.m.

**Minutes – March 17, 2011**

MOTION: Cal Cragun made a motion to APPROVE the minutes of March 17, 2011 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

**Managers Report**

Brody Blonquist reported that he and Trevor have been filling the tanks. Currently there is 240,000 gallons in the 500,000 tank, and 120,000 gallons in the 200,000 gallon tank. He and Trevor estimated that it would require approximately 100,000 gallons to sustain this side of the Ranch. Forest Meadow would require another 100,000 gallons. Brody explained that 45,000 of the 100,000 gallons for this side would come from the 200,000 gallon tank. That would supply Elk Road, Alexander, Wood Chuck, and Aspen Ridge. He and Trevor estimated the numbers on the assumption that everything is empty, although that may not be the case.

Brody thought the Board should make the decision as to when the water should be turned on. However, in his opinion, there was not enough water in the tanks to turn it on now. It could be done in sections, but they already know of a sizeable leak in A-plat and they expect to find other leaks.

Brody reported that the spring is running more water every day and that is good news. Last year on April 19<sup>th</sup>, the spring was running 60 gallons per minute. If they experience

the same runoff this year, the spring should start producing adequately.

Mr. Cylvick stated that if Brody could turn off Iroquois, they may be able to isolate the leak. He expected to reach the 40-70 gallon per minute range with Bobcat fairly soon. Mr. Cylvick thought they should turn the water on now to see what happens. He believed there was more water in the lines than what they anticipated. Brody asked the Board to keep in mind that this was also frost plate season. Brody reiterated that it was the Board's decision, but he knew for certain that they would not be able to turn on the 200,000 gallon tank. He stated that they would turn different areas on from the 200,000 gallon tank, but they would not be able to supply Elk Road and Alexander because the leak is before that point.

Mr. Cylvick preferred to take a chance and turn the water on in segments and try to isolate the leaks. Cal Cragun shared the same thought. Brody requested that he have until Monday to start turning on the water. He was concerned that once the water is turned on, so many people would be filling their tanks that it will be impossible to know if the water reduction was from a leak or usage. He felt the water needed to run for two or three days before a leak could be detected. A significant amount of water would be lost in that time if it was caused by a leak.

Mr. Cylvick still preferred to take the risk and watch the history trends. If they need to shut it down again, they can do it. Brody stated that they would begin opening the valves on Monday.

Brody asked the Board to consider installing security cameras at the office. Bill George remarked that a visible security camera is a good deterrent. Mr. Cylvick suggested that they obtain several bids. Mr. George had TV Specialists of Salt Lake install security at his home, and he would ask them for a quote.

An owner present noted that the website indicated that the tanks were filling at 25 gallons per minute. Brody clarified that 25 gallons was inaccurate. After doing the math in terms of the amount pumped in a 24 hour period, he found they were actually filling at 11 gallons per minute. Brody clarified that he will do updates, however, a Terrorism Act passed by the Division of Drinking Water prohibits him from publicizing the number of gallons in the tanks and the number of distribution lines they have. The owner stated that people would rather have some information, even if it is limited, to know that something is being done to get the water turned on.

Mr. Cylvick pointed out that people would have all the information they need if they would attend a Board meeting. Trevor commented on the amount of misinformation that circulates through the Ranch, and stressed the importance of either attending a meeting to hear information firsthand, or to contact Brody or a Board member when they have questions. Brody agreed that rumors are the basic problem.

Someone stated that the owners were unaware of the leak until the water was turned off. If he had been informed earlier, he would have taken more steps to conserve before they ran out to help save or prolong the water supply. Brody replied that if he had known how fast it would happen, they could have informed the owners. Sometimes they have no warning and it surprises them as much as anyone else.

Brody remarked that on Monday he would begin turning on the water in sections. However, he would post a notice on the website requesting that people do not fill their tanks.

Tom Deaver asked if there was money available to fix the system. Mr. Cylvick stated that he received a call from the DDW informing him that the internal board had approved their loan request. The application now goes to the full board on May 3<sup>rd</sup>. Mr. Cylvick remarked that they have preliminary approval for a 30 year note at 2.61%. The existing loan was 20 years at 3%, and that loan would be rolled into the new loan at 2.61%. If the loan is approved, they would have approximately \$3.1 million to do Tollgate well, the Oil Well well, pumps and lines. They would also use the money to replace all the meters with new Smart Meters.

Tom Deaver thanked Brody, Trevor, and Jody Robinson for clearing out the access to Bobcat.

### **Unpaid Bills**

Brody reviewed the unpaid bills. Allwest and Catapultion were for the internet. The bill from Clyde, Snow and Sessions was for legal fees. Abco House of Hose was a new hose for the trash pump. Horrocks Engineering was the retainer from the loan. KGC Associates was the bill for Carol's services. Mountain State Water Works still showed a credit. Rocky Mountain Power was the monthly bill. Select Health was health insurance. Sinclair Fleet was for fuel. The bill from Slivers Inc. was for building repair. Ice was damming up on the shop and leaked down through the roof and some spouts were torn off. Slivers Inc. fixed the inside and they also built trusses to go around the pipes. Suburban Propane was to fill the propane tank. USA Blue Book was for a new

chlorinator. Utah Division of Finance was the monthly loan payment. Verizon Wireless was for cell phones. Weller Recreation was for a toboggan sled to pull behind the snowmobiles.

MOTION: Eric Cylvick moved to pay the unpaid bills in the amount of \$4,655.46. Bill George seconded the motion.

VOTE: The motion passed unanimously.

### **Financials**

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that the assessments were approximately 82%.

Mr. George questioned an outstanding water bill of \$228,000. Mr. Cylvick clarified that \$228,000 was the amount collected from January 1<sup>st</sup> to April 1<sup>st</sup>. He had budgeted a total of \$270,000 by the end of the year. To date, they are short \$42,000. For excess water, he had budgeted \$30,000 and to date they have received \$16,000. He pointed out that they were still in the first quarter of payments and many people pay monthly or quarterly.

Mr. Cragun questioned why the health insurance was shown on two different pages. One place showed zero and another place showed it as \$4700. Mr. Cylvick asked Carol to confirm that they still have the insurance that protects the Board members. Brody noted that the premium is due in July, but he has an agent preparing a new quote.

MOTION: Eric Cylvick made a motion to APPROVE the profit and loss/budget versus actual dated January 1<sup>st</sup> through April 14, 2011. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

Mr. Cragun stated that he was approached by Mike Kinsinger, a Ranch owner, who works for US Bank, about moving their money to US Bank. Mr. Kinsinger also approached the HOA. Currently, US Bank offers a higher interest rate and they are financially sound. As a fiduciary, he felt it was important to look at all their options. Mr. Cragun asked for Board approval to peruse the information and update the Board on his

findings.

Mr. Cragun clarified that they would need to keep the Brighton account because of the loan situation and the checking account would remain. The money market is the only money that would be moved.

Mr. Cragun stated that he had insurance bids from Rural Water Association, the Leavitt Group, Colorado Casualty, and Real Value. With the Board's permission, he would review the bids and report back to the Board.

Mr. George asked about the lots listed under Other Assets. Mr. Cylvick replied that the Water Company owns those lots and they are source protection around Bob Cat. Those lots have little value. Brody explained that the lots are unbuildable as long as the water is on at Bob Cat Springs.

MOTION: Cal Cragun moved to ACCEPT the balance sheet as presented. 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 7:35 p.m.

Minutes Approved

Date

Pine Meadow Mutual Water Company  
Monthly Board Meeting  
April 14, 2011  
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