

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 16, 2012

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George, Suzanne Larsen - Board members present.

Ex Officio: Brody Blonquist, Trevor Townsend

Excused: Kelly Cox

Guest: Bob Burdette Lot SS-144H; Dan Kemper, Lot D19; Tom LeCheminant, Lot D-29; Mike and Janine Bowen, FM-C-48

President Eric Cylvick called the meeting to order at 6:31 p.m.

Minutes – July 12, 2012

MOTION: Cal Cragun made a motion to APPROVE the minutes of July 12, 2012 as written. Eric Cylvick seconded the motion.

Public Comment

Tom LeCheminant, Lot D-29, updated the Board on the pond expansion at Bobcat Springs. He reported that out of 74 total votes received so far, 47 owners voted yes and 27 owners voted no. Approximately \$1700 has been collected in donations and an additional \$580 had been committed.

Mr. LeCheminant presented copies of three emails and letters he had received. He also submitted a facts and figures spread sheet that was posted on the Water Board website. Mr. LeCheminant had sketched a picture showing what the pond would look like when completed. The drawing also included trees that would be planted and berming to block the impacts from the closest neighbor.

Mr. Cylvick asked Brody and Trevor if they had concerns or comments regarding the pond expansion. Brody stated that he did not want the Water Company or the HOA to become the bad guys. Even though the majority of 74 owners voted yes, there were still 27 who said no. For that reason he personally would not like the pond tied to the

Water Company. Brody was certain that the HOA would feel the same way. He understood why people would be for or against it, but it is a fine line and the Water Company and the HOA should not get involved.

Mr. LeCheminant stated that the HOA took the position that because it was Water Company property the HOA could not be involved. However, when it was presented to the HOA the Board generally supported the project.

Trevor was not opposed to the project as long as it was out of the hands of the Water Company, particularly since he and Brody would not have time to take care of it or monitor it.

Mr. Burdette, Lot SS-144-H, stated that from an owner's point of view, if it was on Water Company property and the Water Company was the entity collecting the money to do the project, it definitely has the appearance of being a Water Company project. He suggested that they change the system for collecting donations if the Water Company did not want to be involved.

Mr. LeCheminant stated that the advantage of collecting money through the Water Company is that it could be applied to the water bill if it was not paid. Mr. Burdette understood the reason, but it painted the picture of a Water Company project.

Mr. Cylvick did not believe the Board members were concerned about the pond being tied to the Water Company.

Mr. Cragun asked if Mr. Cylvick had contacted the attorney regarding liability issues. He noted that one of the letters raised the concern of who would be liable if someone drowned in the pond. Mr. Cylvick agreed that they should talk to the attorney, Ted Barnes, but in his experience, when something happens everyone is liable. He was more concerned with the yeas and nays and whether those who were opposed had legitimate concerns. Mr. Cylvick personally felt that the project was beneficial if it could be used to help in the event of a fire. He noted that the projects already scheduled would be time-consuming for Brody and Trevor and they would not have time to help with the pond project. Mr. LeCheminant clarified that he was not looking for help from Brody or Trevor. He was willing to take on the responsibility, and only asked for the ability to use the backhoe. Brody pointed out that he and Trevor were the only ones insured to use the backhoe. Dan Kemper, Lot D-19, stated that Jeff Jensen had offered his time and equipment.

Mr. George asked if the pond on Oil Well road had been considered. Mr. Cylvick remarked that the pond at Bobcat Springs was a better area for the community where people could fish and recreate.

Mr. Cylvick agreed with Brody in terms of use of the equipment and the insurance issue. He would also talk to Ted Barnes to address Mr. Cragun's concern regarding liability.

Mr. Kemper noted that Debra Rakes had raised the liability issue and he had been corresponding with her. Ms. Rakes suggested that if they posted "At Your Own Risk" signs it would limit their liability. Other HOA's with fish ponds have posted similar signs. He also informed Ms. Rakes that this project was being done by community members who were willing to donate their time and money to improve the area; and that it did not involve the Water Company or the HOA.

Mr. Cylvick understood that Mr. LeCheminant and Mr. Kemper were only asking that the Water Company give their blessing to do the work. Mr. Cylvick was less concerned about the perception and more concerned with how to proceed based on the number of votes. He suggested that the Board take time to think about it until the next meeting and decide if a 2:1 threshold is adequate to move forward. If someone comes forth with legitimate concerns or issues that could not be answered, the project could be put on hold.

Mr. Kemper suggested that the Board establish a threshold this evening so it would be documented in the minutes, and a final decision could be made at the next meeting. Mr. Cylvick suggested that if the voting ends up 60% for the project and 40% against, or some other definitive majority, the Board could make a decision at the next meeting to move forward. Mr. Cragun believed that was a reasonable approach. He also suggested the possibility of holding a meeting to find out why people are opposed.

Mr. Kemper believed the current amount donated was a strong endorsement for the project. Mr. LeCheminant remarked that whenever he receives letter or emails regarding the pond project he tries to answer them as quickly as possible.

Mr. Bowen, Lot FM-C48, asked Brody for an update on his water line. Brody replied that the Blue Stake was done that day. The plan was to work on the line the following week, unless they were too busy with the I-Plat project. If that happened, it would be started the next week.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. The bill from Apco, Inc. was to replace the transducer that went down at the 200,000 tank. They also fixed a Scatapac issue at Tollgate. Armstrong Drilling was for well scrubbing and development. Allwest Communication and Catapultion were for the internet. Chem-Tech Ford was for samples on the new well. Clyde, Snow and Sessions were legal fees. Ferguson Enterprise was for parts. Home Depot was for shovels and tools. Horrocks Engineers was for the I-plat project and the well project. KGC Associates was the bill for Carol's services. Revenue Recovery was collections. Rocky Mountain Power was the typical power bill. Select Health was the health insurance premium. Sinclair Fleet was for fuel. The Summit County Public Health Department bill was for monthly samples required on the water system. The breakdown of the USA Bluebook bill was \$5,009 for the listening device that the Board authorized, \$901 for the transducer at the 200,000 gallon tank, and \$111 for specialty tools. Utah State Division of Finance was the monthly loan payment. Verizon Wireless was the cell phones. The Wasatch Wave was the cost to advertise the projects.

Mr. Cylvick stated that \$5,009.20 for the listening device should be applied to the loan.

MOTION: Eric Cylvick moved to APPROVE the unpaid bills as presented in the amount of \$132,599.49. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board members reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that 93.2% of the total water assessments had been collected. They were \$37,000 under budget; however, some owners were still making monthly payments. He had budgeted for one annexation, but to date none had come in.

Mr. Cylvick could not find a charge for the legal fees and assumed that Carol had applied them to the loan. Brody pointed out that Carol had put the engineering cost under Water System Improvements, and that cost should be applied to the loan.

In response to questions from Mr. Kemper and Mr. LeCheminant who had stayed for the

meeting, Mr. Cylvick explained the well process for Tollgate and the terms for a potential well at Aspen Ridge.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated August 16, 2012. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. There were no significant questions or concerns.

MOTION: Eric Cylvick moved to APPROVE the balance sheet dated August 16, 2012. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Correspondence

Brody indicated that the letters regarding the pond expansion project had already been acknowledged during the public input portion of the meeting.

Manager Report

Brody reported that the I-Plat project was scheduled to begin mobilizing the following Monday. It was being done by a large company and he expected the project to be done quickly.

Suzanne Larsen asked when the water would be shut off. Brody was unsure and hoped to have an answer on Monday. He would post it on the website. He believed it would depend on where they started the project.

Brody reported that the other project went out to bid and the bids would be opened on August 28th.

Brody stated and other than the projects, very little was happening and he and Trevor have been doing repair and maintenance work.

Mr. George asked for the approximate boundaries of the I-Plat project. Brody replied

that it was west at the back of I-Plat.

Mr. Cylvick stated that because the well development had put them back a couple of months, the Water Company would try to work on the well house, trench and bury the line, and tie it into the booster station at Oil Well. They do not have time this year to continue it further. For the benefit of the homeowners, they intend to get the 35 gallons per minute tied into the system for this winter. Depending on weather, there is a good chance that they may not get pavement down before bad weather. Therefore, oil base would be brought in and Jody Robinson, the Ranch manger, will help them get it to a drivable, comfortable stage. Next Spring, after the runoff, they will repave whatever damage the Water Company created.

Mr. Kemper asked if the plan was to connect into the new well. Mr. Cylvick stated that the project has already gone out to bid. They intend to build a structure and trench and run Drexel line up to that point, so 35 gallons would be tied into the system this year. If they go up to Oil Well and tap into Aspen Ridge, that booster station would be pulled out and a new structure would be built to pull water from the Tollgate well, the new well and from Aspen Ridge to that booster station. That booster station would be strong enough to pump it from there all the way to Bobcat. The future plan is to have 7 gallons per minute coming out of Tollgate, 35 gallons per minute coming out of the lower Tollgate well, and potentially 100 gallons per minute coming out of the Aspen Ridge well for a total of 150 gallons of water per minute coming from this side of the Ranch. Mr. Cylvick hoped the Water Company could get all the agreements in place and get grandfathered by the end of next year. He pointed out that if they only become a service provider for Aspen Ridge, they only need to lay a pump line out there, which is easier and less expensive than a feeder line.

Mr. Kemper asked if the weak link was Pine Meadow Drive, now that they have extra source. Brody explained that Pine Meadow Drive is the weak link because of its current pressure. The purpose of the I-Plat project was to provide fire flow, but also to reduce the pressure on Pine Meadow Drive. Brody noted that there was a questionable section on Pine Meadow Drive that may still need to be replaced, but they wanted to wait until after I-Plat was completed to see what happens after the pressure is reduced.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:37 p.m.

Pine Meadow Mutual Water Company
Monthly Board Meeting
August 16, 2012
Page 7

Minutes Approved

Date