

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 13, 2012

SUMMIT COUNTY, UTAH

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

Ex Officio: Brody Blonquist, Trevor Townsend

Guests: Tom LeCheminant Lot D-29, Dan Kemper, Lot D-19

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

Minutes – August 16, 2011

MOTION: Cal Cragun made a motion to APPROVE the minutes of August 16, 2012 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Bobcat Springs Pond Expansion

Tom LeCheminant, Lot D-29, stated that after the last meeting with the Water Company, Hutch Foster, President of the Owners Association, did some research and discovered that the property at Bobcat Springs is common area that belongs to the HOA. Mr. LeCheminant obtained a plat plan from Summit County, which showed that in 1987 the property was set aside as common area property. Therefore, the property belongs to the Homeowners Association and not the Water Company.

Suzanne Larsen suggested that if Mr. LeCheminant presented his plan at the next HOA Board he may get more support. Mr. LeCheminant stated that he has presented his proposal to both the Water Company and the HOA and he would go back to the HOA.

Mr. Cylvick asked about the vote count from the survey cards. Mr. LeCheminant replied that the count was 95 in favor and 36 against. He noted that the 95 number included 15 votes from one property owner who owns 15 lots. Several property owners own multiple lots but they only gave one vote. The number would be higher if everyone gave one vote for each lot. Mr. LeCheminant had received nearly \$4,000 in donations.

Mr. Cylvick stated that personally he was comfortable with the plan to expand the pond with the stipulation for planting trees and other impact mitigations discussed at the last meeting. Bill George and Cal Cragun concurred. Kelly Cox had missed the last meeting and he was unprepared to give an opinion. Mr. Cragun thought they should contact the people who were opposed to see if they had legitimate reasons. Mr. LeCheminant noted that he has been in contact with those owners.

Mr. Cylvick stated that if it was Water Company property they would probably move forward, but since it belongs to the HOA they could not make that decision. However, the Water Company was still willing to collect the donations and help in other ways.

Mr. Kemper, Lot D-19, thanked the Water Company for covering the cost of postage to send the letters to the owners. It was a huge success and he was surprised at the amount of money collected in such a short period of time.

Suzanne Larsen reported that the HOA Board was more interested in the pond expansion since it was determined to be HOA common space and that it is owned by all the members. Ms. Larsen noted that many years ago all picnics and activities sponsored by the Owners Association were held at Bobcat Springs. She believed the majority of owners would support the project once they realized it was HOA property.

Mr. LeCheminant outlined his plan for power on the northeast corner. Brody asked Mr. LeCheminant to contact him before he started drilling.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Allwest Communications and Catapultion were for the internet. Armstrong Drilling was the retainer held by the Water Company until the work is completed. The Geary Construction bill was for a load of gravel. HD Supply Supply Water Works was for 8" sleeves and gauges for the existing PRVs. The bill from KGC was for Carol's Services. Revenue Recovery was the collection agency. Select Health was the Health insurance premium. Utah Division of Finance was the monthly loan payment to the State.

Mr. Cragun referred to the retainer for Armstrong Drilling and asked if it was classified as being paid out. Mr. Cylvick explained that Carol pays it out and then files it with the State, and the Water Company is reimbursed the \$12,068.96 from the loan.

MOTION: Eric Cylvick moved to pay the unpaid bills dated September 12, 2012 in the amount of \$77,351.61. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual.

Brody noted that the permits for the pump house would cost approximately \$3,000, and that would go on to the loan. The building permit was approximately \$1,565 and the low impact permit was approximately \$1,200. Brody was unsure what a low impact permit was, but Summit County requires one before they will issue a building permit. Mr. Cylvick asked Brody to email him all the paperwork. Brody noted that there was an additional \$599 charge for a bond with the Summit County Engineering Department; however, all but \$25 is refundable when the project is completed and passes inspection.

Mr. Cylvick asked if the building permits included the water lines or just the pump house. Brody replied that it was the pump house only. He noted that the County wanted the pump house set back 100 feet off the road and he and Trevor had to apply for a variance so they could place it 30 feet off the road.

Mr. Cylvick asked for the estimated cost of the building. Brody estimated \$115,000 total with the pumps and everything that is being housed. The permit costs are based on a percentage of the total project cost. Mr. Cylvick thought the permit costs were ridiculously high for the type of structure and he asked Brody to send him the name of someone he could contact at Summit County.

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

VOTE: The motion passed unanimously.

Brody asked if there were any lots that needed to become dry lots. The policy is that after two years of non-payment the lot becomes a dry lot and an affidavit is filed with

Summit County. The last time that occurred was in 2008. Mr. Cylvick asked Brody to contact Carol to see if there were any lots that should be looked at for non-payment.

MOTION: Cal Cragun made a motion to APPROVE the balance sheet as presented. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Correspondence

Jason Lance, Lot PI-29, requested a one-time reduction on his water bill. Brody stated that Mr. Lance had a leak and he and Trevor helped him repair it. The leak was in the frost free.

MOTION: Cal Cragun moved to grant Jason Lance, Lot PI-29, a one-time water reduction on his bill of \$866.20.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the truck had been broken into in the Crandall Ford parking lot and everything in the toolbox was taken. The tool box and tools had to be replaced. Crandall Ford has no liability.

Brody reported that the I-Plat project was going well. The pipeline was tied in on the upper side, but they still needed to come across the hill and down to Elk Road. The expected time was another ten days. The lines were flushed out and bacteria samples were taken. Brody would know the next day whether the water is good. He had planned to turn the water back on at I-Plat if the samples were good; however, the line on Pine Meadow Drive broke today. They would fix that line in the morning and flush two lines in I-Plat and wait for the bacteria samples. Brody hoped to have the water restored by the weekend. The I-Plat project was on schedule and everything should be completed in approximately two weeks.

Brody commented on lots with lawns and sprinkler systems. He noted that the bylaws state that the Water Company must send a letter informing the property owner that they

have 30 days to disconnect the sprinklers. If they do not disconnect within that time period, the Water Company can pull the water meter and lock the pipe. He requested that the Board give he and Trevor authorization to pull the water meter after 30 days if the owner has not responded. Mr. Cylvick thought the meter should just be shut off if someone runs the sprinklers. Brody clarified that per the Bylaws, the owner must be notified in writing and given 30 days to respond. Brody suggested that the Board could also change the policy.

A Change in policy needs to be presented to the members at the Annual Meeting. Mr. Cragun thought the policy change should be proposed at the Annual Meeting. Mr. Cylvick thought they should just shut off the meter and fight the battle. Brody agreed, but he was concerned about an owner reading the Bylaws and finding that the Board had violated the proper procedure. Mr. Cylvick was willing to have that fight and he directed Brody to shut off the meter.

Trevor commented on one owner who used 11,000 gallons of water within a few weeks by watering a lawn that was only planted two weeks ago. Brody noted that Carol had sent the owner a certified letter with all the rules and regulations. It was becoming a bigger issue because they were seeing more sprinkler systems.

Mr. Cylvick asked Brody to send him the section in the Bylaws that addressed the noticing policy. Mr. Cylvick suggested that instead of changing the Bylaws they could send reminder notices on April 1st of each year reminding the shareholders of the regulation. Any violation after 30 days of that notice would allow the Water Company to shut off the meter. Mr. Cylvick asked the Board to think about whether it was better to change the Bylaws or establish a policy of sending a reminder notice once a year. In the meantime, Brody should shut off meters on properties that use excessive water for their lawns.

Mr. Cylvick remarked that negotiations on Aspen Ridge have come to a standstill because John Foster needs Thomas Broderick's signature and no one has been able to locate Mr. Broderick. Mr. Cylvick explained that Mr. Broderick owns a lot in Aspen Ridge and he needs to sign the agreement to have Axel removed. Mr. Cylvick had personally tried to call Mr. Broderick with no success. Aspen Ridge was still interested in the agreement and he would like to obtain that water in a cordial way. However, if it cannot be done nicely, Mr. Cylvick would like to condemn the property and drill a well next to the Aspen Ridge well. Mr. Cylvick was certain that Mr. Broderick would sign the agreement and that the only problem was contacting him.

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The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees
adjourned at 7:36 p.m.

Minutes Approved

Date