

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, OCTOBER 11, 2012

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick - President; Cal Cragun, Bill George, Suzanne Larsen - Board Members

Ex Officio: Brody Blonquist, Trevor Townsend

Excused: Kelly Cox

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

Minutes –September 13, 2012

MOTION: Cal Cragun moved to APPROVE the minutes of September 13, 2012 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. All West and Catapulsion was for the internet. Brody needed to research the charges from APCO. He assumed it was when Phil came up and did some type of programming for the water system. Armstrong Drilling was the retainer. Chem-Tech Ford was for water samples. The bill from Delco Western was for a shaft for a PRV. Evco House of Hose was for the braided stainless hoses for the PRVs. The bill from Geary Construction was for a load of gravel. Horrocks Engineering was for the projects on the loan. KGC Associates was the bill for Carol's services. Mountain States Water Works was for bolt packs and sleeves to repair a leak. Pine Meadow Mutual Water Company was the payment towards the escrow debt reserve on the loan.

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Revenue Recovery was collection fees. Rocky Mountain Power was the power bill. Suburban Propane was to top off the propane tank. Summit County Public Health was for samples. USA Bluebook was the replacement of the chlorinator that was stolen out of the truck. Utah State Division of Finance was the monthly loan payment. The bill from the Utah State Tax Commission was the registration on the travel back trailer.

Brody recommended that they pay APCO and he would verify the charges.

MOTION: Eric Cylvick made a motion to pay all the unpaid bills in the amount of \$53,606.44 as of October 10, 2012. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual. Brody remarked on how well they had done on collections for the year.

Mr. Cylvick referred to the top of page 2 and questioned why some of the numbers were showing negative. The annexation and impact fee line items showed a negative and he thought it should simply show \$6,662 and \$1,920. He believed the negatives were inconsistent with the actual budget numbers.

Mr. Cylvick asked Carol to contact him to discuss her reasons for the negative numbers.

Mr. Cylvick was pleased and noted that they were significantly under budget on expenses. Brody stated that they still needed to pay for the water shares, which is a major expense.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated October 11, 2012. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to APPROVE the balance sheet dated October 11, 2012. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that all the projects were going well. He expected the road base on Elk Road to be completed today. Additional road base was put on I-Plat.

Brody stated that the switch was made to I-Plat and the pressure was lowered on Pine Meadow Drive by 50 psi at the PRVs. The project would be crossing the road the next day which would result in a detour around Oil Well Road. The road would be torn up for most of the day. The culverts were installed and the line is moving along. They still need to connect the line to the tank. Construction on the pump house building would begin on Monday. Brody thought the contractors were doing a good job and he was pleased with how well they cleanup after they finish a section.

Brody stated that he and Trevor were preparing the water system for winter and leaks had started surfacing. Trevor noted that a line on Tollgate has been leaking for five years and they were never able to find it until it recently surfaced. Brody believed the leak that surfaced on Navaho had also been leaking for a long time. Those leaks have been repaired and the history trends have adjusted. He was certain that they could go seven or eight days with the pumps turned off if they did not have a high volume of people on the weekends. Trevor stated that they planned to use the listening device the following week to find a suspected leak on Pine Meadow Drive.

Aspen Ridge Update

Mr. Cylvick stated that John Foster, the President of the Aspen Ridge Water Association, has had a difficult time contacting some the owners in order to close the deal with Axel. Until he has an agreement and signatures from all the owners, Mr. Foster was hesitant to allow the Water Company to test pump the well. Mr. Cylvick believed Aspen Ridge was still very interested in having Pine Meadow Water take it over.

Mr. Cylvick had met with Bill Loughlin, the hydro-geologist. Mr. Loughlin told him that the State has started requiring water companies with 12 lots or less to come up to community water system standards to protect against contamination. Mr. Cylvick estimated that cost to be approximately \$55,000 to drill a bigger hole around the casing and add a grout seal, or \$70,000 with the camera and test pumping. He noted that the estimate to drill a new well at Aspen Ridge and run the lines would be \$653,400. However, if they are able to keep the existing well and improve it with the grout seal the cost would be approximately \$350,000.

Mr. Cragun recalled from the last meeting that Mr. Cylvick was going to find out why Summit County was charging such high permit fees to build the pump house. Brody reported that he had already obtained the building permit and paid the fees because they needed to have permits before starting construction. Mr. Cylvick had been out of town and had not had the chance to follow up with Summit County.

Mr. Cylvick had asked Dave Dillman for alternatives to the pump house at Aspen Ridge in an effort to save money. He noted that the \$350,000 improvements to the existing well included a \$100,000 pump house. If they can find an alternative the \$350,000 estimate would be considerably reduced. Mr. Cylvick explained that the bulk of the cost is to run the pump line from the Oil Well parking lot all the way down to the well. Brody asked if the cost included running the pump line up to Bobcat. Mr. Cylvick replied that Mr. Dillman had estimated \$1.75 million for the new well in Tollgate, the pump house and running the lines up to Bobcat. So far they have spent approximately \$650,000. Mr. Cylvick pointed out that they also saved money by doing the I-Plat project in lieu of the \$385,000 project down Pine Meadows Drive. The total savings would be approximately \$535,000 if they can improve the existing Aspen Ridge Well and not have to replace it.

Mr. Cylvick noted that the only projects that were not done were running the line up to Bobcat and the Aspen Ridge line. Everything has been coming in on budget. If they had been able to get 80 to 100 gallons per minute from the Tollgate Well they would not be spending money on Aspen Ridge.

Annual Dinner

The Board discussed where to hold the annual dinner this year and whether to go back to Jeremy Ranch. Mr. Cylvick asked the Board members to think about it and to choose a location.

Sand Shed

Mr. Cylvick reported that Jody Robinson, the Ranch Manager, was building a storage structure to store sand. He suggested that the Water Company build a similar structure next to it to store extra pipe and parts. He asked the Board to think about it so they could make a decision at a future meeting.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees

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adjourned at 7:08 p.m.

Minutes Approved

Date