

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JULY 11, 2013

SUMMIT COUNTY, UTAH

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

Ex Officio: Brody Blonquist, Trevor Townsend

Excused: Kelly Cox

Guest: Pam Davis, Lot FMB-29, Melissa Melcher

President Eric Cylvick called the meeting to order at 6:35 p.m.

Visitor Comments

Pam Davis, Lot FMB-29-1, noted that she had sent the written synopsis the Board requested at the last meeting in two separate emails. Mr. Cylvick had the emails. He had written down his own synopsis after the last meeting in an effort to understand the bill. He understood that Ms. Davis was billed approximately \$280 from the title company. Ms. Davis clarified that it was \$300+ between the HOA and the Water Company. Mr. Cylvick

understood that it was a pro-rated bill based on four months of usage in 2010. The 2010 bill was divided by twelve and multiplied by four to reach the billed amount at closing.

Ms. Davis stated that she had not owned the property until September 2011. Mr. Cylvick explained that the invoice went out in 2011, but it was for 2010 usage. Ms. Davis owned the home in September 2011 and her bill was for four months. When she received another bill in 2012, she thought she had paid the full amount at closing, but it was only an estimated amount for September through December 2011, based on the previous year's billing. The Water Company was unable to locate Ms. Davis because the address she provided was not current. Therefore, the 2012 bill for 2011 usage in the amount of \$1,109.48 was not paid, and the finance charges started to accumulate. Another \$712.48 was invoiced on January 2, 2013 for the base water amount for 2012, which was not paid, and additional late fees and finance charges accumulated.

Mr. Cylvick asked if Ms. Davis had made a payment in the amount of \$1,424.96. Ms. Davis replied that she had paid for 2012 and 2013. Mr. Cylvick stated that 2013 usage would not be billed until January 2014. Ms. Davis and Mr. Cylvick discussed the timeline and billing cycles. Ms. Davis referred to pages 21 and 22 of the bylaws that state, at sale or transfer of ownership, the Water Company reads the meter and bills at closing so the property is clean.

Mr. Cylvick read the language Ms. Davis had referenced. Sale or Transfer of Premises - "Each shareholder shall immediately report in writing to the company's business office, the sale or transfer of any property and request the termination of service to the premise. Failure to provide such written notice shall result in liability for the cost of continuing service." Reading Meter at Transfer - "The company upon receipt of this written notice and request shall read the meter, weather conditions permitting, and shall, at its option, close the shut-off valve and terminate water service to the unit or facility. Where it is not possible to read the meter, the company shall estimate the meter use." New Application Required - "The subsequent shareholder applicant of the serviced premise shall be required to make written application for a new water service and shall agree to pay the service fees and other charges imposed by the company and comply with all rules and regulations of the company." Service Resumed - Upon compliance with all the foregoing terms and conditions of this subsection, the water service shall be restored to the premise. Resumption of Service Fee - "A \$50 resumption of service fee will be charged all new and existing shareholders. When the water service is restored to the premise, the company must receive the resumption of service fee before water service will be restored."

Mr. Cylvick stated that the Water Company was not notified that there was transfer. Ms. Davis remarked that they were notified by the person who sold the lot, and Carol has documentation to show that the property was sold because she was engaged with the title company. Mr. Cylvick asked if Ms. Davis had contacted Carol at the time. Ms. Davis answered no, because the title company was in contact with Carol.

Mr. Cragun suggested that the title company may have erred. Mr. Tyler remarked that under Notice of Sale, the bylaws state that the Water Company must be notified that the property was sold and request termination of service. Ms. Davis pointed out that the seller had the responsibility to do that. Mr. Tyler stated that if the seller followed the proper procedure, the Water Company would have shut off the water. Ms. Davis believed the seller had notified the Water Company because Carol submitted a bill and the seller had to pay all the back charges from 2009 when the property was foreclosed.

Mr. Cylvick remarked that Ms. Davis was responsible for notifying the Water Company and providing a correct address. Ms. Davis pointed out that the bylaws state that there should not be water service to a property without a signed agreement. It was her contention that the office provided service.

Mr. Cylvick was prepared to make a motion and if Ms. Davis was dissatisfied, she could consult an attorney. Ms. Davis felt that was unfair and asked the rest of the Board if they were interested in hearing her out. Ms. Cragun stated that the Board has heard her explanation several times, but she was not willing to listen.

MOTION: Mr. Cylvick made a motion that Pam Davis was obligated to pay \$2,250.73. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Ms. Davis stated that she was trying to negotiate with the Water Company. She wanted the Board to understand that she intended to go to small claims court and she would also file with the Better Business Bureau. They would be hearing from Adam Watson at the Department of Consumer Protection because these were unfair practices. When she walked into her property she had no power and had to sign an agreement with Rocky Mountain Power to restore power to the property. However, the water was already on when she walked into her property. The Water Company left it on and they did not have a signed agreement. She did not understand any of the implications. Brody asked how Ms. Davis knew that the Water Company had left it on. Ms. Davis stated that the Water Company has ultimate control. Brody disagreed. Ms. Davis noted that when she initially visited the property as a potential buyer the power and the water were off. Brody explained that the Water Company has no control over turning the water on and off. It is done with a simple valve at the street and anyone can do it. Ms. Davis understood from the bylaws that the Water Company needed an application signed by the owner stating that they understand the rules and regulations and accept service.

Ms. Davis stated that Carol had an improper address. Mr. Cragun informed Ms. Davis that Carol asked the title company for her address and they gave the property address and not the proper mailing address. Ms. Davis remarked that it did not give the Water Company the right to assume she wanted service.

Ms. Davis was not aware that the motion was voted on. She asked if it was seconded. Mr. Cylvick explained that it was seconded by Cal Cragun and passed on a vote by

Cragun, Cylvick and George. Tony Tyler had abstained because he had not read all the documents.

Ms. Davis wanted it on the record that she had paid \$712.48 each for 2011 and 2012. And she paid her prorated fees at closing. Ms. Davis stated that she contacted Mr. Cylvick and asked to meet him to fill out the application and agreement for water services he told her that he could not meet her. She then contacted Brody and he told her that he was the Water Manager but he could not meet her and he did not deal with people. Brody clarified that he did not tell Ms. Davis he could not meet her and only managed the water system. Brody clarified that he did not tell Ms. Davis he could not meet her. He said that he had no authority with these matters. Ms. Davis presented the water application document that was missing all along that Carol presumed was in place when it was not. Mr. Cylvick understood that the document was signed at closing. Ms. Davis replied that it was not signed at closing. It is a document provided on the Pine Meadow website and it must be signed before water service is available to the new owner.

Brody pointed out that six or seven properties are sold on the Ranch each year and this is the first time they have dealt with this problem, because everyone else signed the document at closing. He was having a difficult time understanding why Ms. Davis had not signed it at closing. Mr. Tyler believed that Carol was notified of the sale, but he did not believe the seller actually requested termination of service. Without a termination request, there would not be a new water agreement to sign and the water was never shut off. Mr. Tyler thought the issue was between Ms. Davis, the title company, and the seller as to whether or not termination was requested. That would also explain why the remaining steps never took place. Ms. Davis noted that the document Carol sent to the title company charged her a transfer/resumption fee.

Ms. Davis wanted to know why the seller would want the water turned on when they no longer owned the property. Mr. Tyler explained that the water would be turned on as soon as the account was brought current. He assumed the title company requires it to be current. Ms. Davis argued that the Water Company still did not have an agreement with her. Mr. Tyler stated that if there was never a request from the seller to terminate the service, that step would not have taken place and the Water Company would not have read the meter. Ms. Davis stated that under Mr. Tyler's theory, she should not be receiving water bills because there is nothing in her name.

Mr. Davis asked the Board to sign the agreement before she left. Mr. Tyler personally

thought that Mr. Cylvick should not sign the agreement until the matter is resolved, particularly since it was still in contention. Ms. Davis explained that she wanted the agreement signed to protect herself. She had paid the water bill and she wanted to make sure her water service continues. Ms. Davis clarified that she was only contending the late fees and collection fees prior to now, because it was all done outside of their own bylaws.

Mr. Cylvick preferred not to sign the agreement because it was dated today. He was willing to accept it but he would not sign it. Ms. Davis stated that it was moot without a signature. Mr. Cragun felt that further argument would not resolve anything. He suggested that they end the conversation and let Ms. Davis pursue it legally. Ms. Davis wanted to know if she would continue to have water. Mr. Cylvick replied that the Water Company would not turn off her water.

Ms. Davis and Ms. Melcher left the meeting

PMROA Issues

Mr. Tyler asked about the replacement of the water line on Pine Meadow Drive. He wanted to have an idea of timing so he could notify the owners that the road would be closed. Brody stated that the bids would be opened on Tuesday and he hoped to have somewhat of a timeline after that. Brody would post it on the Water Company website two weeks prior to starting the work. Mr. Tyler asked Brody to notify him at the same time so he could post it on the HOA website.

Mr. Tyler reported that he had spoken with Brody about the Bobcat Springs pump house project. Based on their discussion, the PMROA would be able to approve the exterior color of the building and the color of the roof. After the pump house is built, he would like the Water Company to survey the areas needed for easements and the PMROA would record one against the property. Mr. Tyler understood that the pump house needed to follow State regulations and that the PMROA could not change the concrete exterior.

Mr. Tyler stated that he would draft an MOU stating that the PMROA agrees to allow the Water Company to locate the pump house at Bobcat Springs, that the colors need to be selected and approved by the HOA, and that the Water Company agrees to survey it and work out an easement with the PMROA.

Mr. Cylvick pointed out that new pump houses would also be built on Oil Well Road and right on Bobcat Springs. The State requires it to be cinder block and have a security light. It would also have a chlorinator, as well as other things to bring it up to State standards.

Mr. Tyler stated that after talking with Brody he sent an email to the HOA Board and they approved the project. He also sent an email to Jennifer Strader telling her that the HOA was comfortable with the project and that he and Brody would work out the details.

Mr. George asked if there would be two ponds at Bobcat Springs. Mr. Tyler explained that it would fill up and make one pond. Mr. Tyler explained that some of the berm was left so if the new dam does not hold water, they could come back and essentially block it off.

Mr. George asked about Moss'. Mr. Cylvick stated that it had nothing to do with the Water Company. He understood that Mr. LeCheminant was trying to recoup the equipment rental expense by helping Moss clean out the ponds. Brody understood that Moss had paid \$3500.

Brody stated that he would attend the HOA Board meeting to explain the State requirements for the pump house.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick noted that they were \$55,000 under budget. They were also under what was budgeted for impact fees. He asked if any homes were being built. Brody replied that a number of homes were being constructed but the lots already have water.

MOTION: Eric Cylvick moved to APPROVE the Profit and Loss/Budget versus Actual dated July 11, 2013. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Tyler suggested that the fixed asset under PC200 should be removed because it was sold. Brody thought it needed to remain on the balance sheet until the end of the year.

MOTION: Eric Cylvick moved to APPROVE the Balance Sheet dated July 11, 2013. Bill

George seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Allwest Communication and Catapulsion were for the internet. Banner Life was the life insurance premium. Horrocks Engineers was for the DDW loan expense. Emergence Development Consulting was for the webmaster to update the internet. KGC Associates was the bill for Carol's services. Pine Meadow Mutual Water Company was for the debt reserve. Revenue Recovery was for direct paid collections. Rocky Mountain Power was the typical power bill. Select Heath was the health insurance premium. Utah State Division of Finance was the loan payment. Utah State Tax Commission was registration on the Ford, and VanCon Inc. was retainage until the well project is completed.

Mr. Cragun asked for a completion date. Brody was unsure. They still needed to fix the asphalt by the power box and straighten up the silt fence. Trevor commented on a second asphalt repair that needed to be done.

Mr. George had noticed an asphalt repair on the turn at Oil Well Road. Mr. Tyler remarked that the HOA purchased a load of hot patch and Jody repaired that section of road.

MOTION: Tony Tyler moved to APPROVE paying the unpaid bills dated July 11, 2013 as presented. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the project went out to bid. They held a mandatory pre-bid meeting for those who wanted to bid to go through everything. Three companies attended. Dave Dillman was not aware of any other companies that were interested in bidding. The bids would be opened on Tuesday. He and Trevor were meeting with the Building Department on Wednesday, and he expected to have the building permit finalized.

Brody stated that they were still pounding fence posts. Mr. Cylvick remarked that the

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fence posts were awesome and not intrusive. It was much better than what he expected.

Brody stated that two years ago he used the trackhoe to scrape snow away from the shop building during a big snowfall. It damaged five pieces of tin on the roof and now they were leaking. He had obtained a bid for \$2,500 to replace six pieces of tin on the roof. He asked the Board for forgiveness and for authorization to fix the roof.

MOTION: Eric Cylvick moved to replace the damaged metal roof panels on the shop in the amount of \$2,500 and authorize it as an expense on the loan. 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 7:25. p.m.

Minutes Approved

Date