

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 19, 2013

SUMMIT COUNTY, UTAH

Board Members in Attendance: Cal Cragun, Bill George, Kelly Cox, Tony Tyler.

Eric Cylvick arrived later in the meeting.

Ex Officio: Brody Blonquist

Guests: Tom Deaver, E-72, Mike and Janine Bowen, Lot FM-C-48.

Cal Cragun called the meeting to order at 6:30 p.m.

Approval of Minutes

Cal Cragun referred to page 2, under the financials and corrected the minutes to reflect that Bill George made the motion to approve the profit and loss statement and Cal Cragun seconded the motion.

MOTION: Cal Cragun made a motion to APPROVE the minutes of August 22, 2013 as corrected. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Public Comment

Tom Deaver thanked the Board for their efforts. He noted that a water line had broken on the Water Company side of the road by the spring and he appreciated how quickly it was repaired. Brody and Trevor had worked on it in the rain and he wanted to say thank you.

Mr. Deaver stated that he planned to put in a piece of culvert the same size as the one he had, and extend it over the water line next to the road underneath the road and bury it in dirt. He asked if the air pocket of a 12" or 14" culvert under dirt would be effective. Brody replied that it would not hurt anything, but he was not sure if it would help. Mr. Deaver thought they could make that spot the place to blow all the snow. Brody remarked that every year is different depending on the amount of snow on the road. Due to all the moisture so far, he thought this year could be bad because the moisture

allows the frost to go down easier than when it is dry.

Mr. Deaver stated that he still planned to put in a couple loads of road base. The culvert would be further underground because it would raise the road surface and add another foot. The corner where the meter is could be the target spot for piling snow. Brody thought that would possibly be effective.

Mike Bowen, Lot 48, Plat C, Forest Meadow, stated that his water line froze last year and has for the past several years. Brody informed Mr. Bowen that his line did not freeze last year. The PRV was shut down. Mr. Bowen asked if it was the PRV valve above the water line that had frozen. Brody explained that the PRV valve on the other side of the hill was shut down. Mr. Bowen had water once the valve was opened. Mr. Bowen remembered that they opened the valve, but at that time he was in the hospital and his wife was communicating with the Water Company. She understood from Brody that the PRV valve that had been a problem in the past was not functioning. Brody recalled that it was the valve directly across from the Bowens.

Mr. Bowen thanked the Water Company for replacing his line last year. He clarified that the line did not freeze and the problem stemmed from the PRV valve. Brody answered yes. Mr. Bowen asked if it was the PRV valve on both sides of his property. Brody stated that the PRV valve in front of his property is an old Singer PRV and he was unable to say whether that one froze or shut down. He knows very little about the Singer valves, which is why they have replaced so many of them. However, he knew for sure that the problem was the one on the side by the manhole because it was not pressurized enough to turn and reach Mr. Bowen's house. Once they opened the pressure Mr. Bowen had water and that is how they will continue to supply his water.

Mr. Bowen recalled that Brody told his wife that someone outside of the Water Company who was more knowledgeable would come up to look at both of the valves. He assumed it was someone from Park City or Kamas. Brody could not recall having that conversation. Mr. Bowen stated that at the time the Water Company installed his water line, they were also going to insulate it; however, he did not believe that was done. Brody replied that the line was gravel packed, which is the same as insulation because it does not allow frost to go into the ground.

Mr. Bowen noted that the pressure on the other PRV valve was increased to 180 pounds. Brody stated that it was set at 130 pounds. Mr. Bowen remarked that when he checked other properties this summer, several people had 180 pounds of water

pressure. Brody explained that the pressure changes depending on the location of the lot. The downhill lots have more pressure. Mr. Bowen remarked that his lot goes downhill and up and around to the same elevation and it was reading 180 pounds until the PRV valve started leaking. Since then, the water pressure has dropped. Mr. Bowen was concerned that if that PRV valve fails again, and the one at the end of driveway is not functioning, he would once again be without water.

Brody explained that it was a catch-22. If the one fails across the road, that owner would also be out of water. Mr. Bowen stated that the owner has not been out of water for the past nine years. Brody emphasized that he and Trevor hauled water to the Bowen's and have gone above and beyond to make sure they were taken care of. Mr. Bowen assumed the Board would remember that when he came in last year and requested a reduction of his 100,000 gallon water bill, he and his wife thanked Brody, Trevor and Jody for their efforts. Mr. Bowen recognized that they delivered water for two years and last year they came back to thaw out his line, which he believed was frozen, only to find out that it was an improperly functioning PRV valve. To fix the problem they increased the pressure and brought it up and around to his property. He noted that Brody was informed through an email that a valve was currently leaking. Brody replied that he was waiting on parts to repair the valve. Mr. Bowen reiterated his concern that if the valve fails he would be out of water. He did not want Brody to misinterpret his comments as being unappreciative of what he and Trevor have done. Brody assured Mr. Bowen that if that valve fails he knows how to rebuild it and it could be done in a day.

Mr. Bowen asked if it was possible to get a good PRV valve. Brody stated that in his opinion, a PRV valve was not necessary in that location. Mr. Bowen asked Brody to remove it so he could get water from that direction. Brody replied that he could not remove the PRV valve without having his personal opinion confirmed by an engineer. If the engineer has a logical reason for keeping the PRV valve, the only option would be to order an OCB valve and put it in the ground.

Mr. Tyler explained that when a PRV fails it fails open, which means excess pressure. Brody remarked that it can also fail closed if the pilot is bad because the pilot does not have enough pressure to open it back up.

Mr. Bowen emphasized that he and his wife have shown Brody, Trevor, and Jody the extreme amount of appreciation for bringing them water. Their efforts have not gone unnoticed. His frustration comes from the fact that he has dealt with this problem for

nine years. Mr. Cragun assured Mr. Bowen that the Board understood his frustration and that Brody would check with the engineer to see if there was another solution. Brody stated that he would contact the engineer to see if it was acceptable to put in a spool. If it can be done he would install a spool and pull the PRV. A spool is a metal pipe.

Mr. Bowen stated that shortly after the Water Company ran his new water line, he told Brody that the glass on the water meter was broken. Since he likes to read his own meter periodically, he asked if the glass could be replaced. Brody replied that it would be replaced.

Mr. Deaver asked if all the new meters were read electronically. Brody answered yes.

Unpaid Bills

Brody reviewed the unpaid bills. Allwest and Catapulsion were for the internet. Clyde Snow and Sessions were legal fees. The bill from Horrocks Engineers was for the new lines and pump house projects. KGC Associates was for Carol's Services. Pine Meadow Water Company was the escrow required by the State. Revenue Recovery was collection fees. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium. Utah State Division of Finance was the loan payment. Valcon Tech was retainage on the projects. Verizon Wireless was for cell phones.

MOTION: Cal Cragun moved to pay the unpaid bills as presented. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Financials

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

Bill George asked for an update on the backhoe and the trackhoe. Mr. Cragun replied that the trackhoe was sold. They still have the backhoe and the mini-tractor.

Mr. Tyler asked if it was possible for people to already be paying an excess water assessment for 2013. Mr. Cragun stated that it was possible. He noted that one of the payments came from a bank payoff.

MOTION: Cal Cragun moved to APPROVE the Profit and Loss/Budget vs. Actual as presented. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

Eric Cylvick arrived.

The Board reviewed the balance sheet. Mr. Cragun assumed the discrepancy in the Brighton Bank Escrow Account was due to the second loan. He noted that it was showing as \$378,000 in the bank versus \$1.5 million on the previous balance sheet. Mr. Tyler thought it could be the proceeds from the loan to pay for the pump houses. Mr. Cylvick assumed it was that, as well as the additional money from closing the loan and receiving the cash.

MOTION: Cal Cragun moved to APPROVE the balance sheet as presented. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the line down Pine Meadow Drive was completed and they were waiting for the contractor to clean the road. He understood that Dave Dillman had not added the cost for road base to redo the road. He only included road base to put over the top of the trench. Brody determined that the road needed road base and he thought it was part of the agreement. The Water Company will pay for the trucks and the material and Jody will spread it out. Brody thought it would take 20 to 30 loads at an approximate cost of \$6,000.

Brody stated that the pump houses were progressing and they were scheduled to stack the block on Monday. Once the building is done and the pumps are in place they would be cutting lines to tie into it.

Bill George commented on the electrical hookup at Bobcat and asked why they went to the south. Brody explained that they originally intended to go north but there was not enough room in the transformer to fit it in. The three-phase box at Bobcat Springs was full so they had to go down to the other one.

Brody stated that he and Trevor were still marking the valves and fire hydrants on the Forest Meadow side. The Pine Meadow side was complete. They will check the PRVs for leaks before winter.

Brody updated Mr. Cylvick on the conversation with Mike Bowen earlier in the meeting.

Brody stated that if there was money left on the loan he still had the bid from Chesley Electric for a generator at the shop. He recalled that the bid was just under \$12,000. He noted that when the power went out they could not open the door to access the vehicles. He believed a generator would be a significant help if the power was shut off due to an emergency.

Miscellaneous

Mr. Cragun reported that the loan had closed for Glen and Carla Lehigh, Pine Meadow Plat A, Lot 58 and the bank paid \$10,000 to the Water Company on the lien.

Mr. Cragun stated that they were going to move ahead and foreclose on Terence Clark, Jamie Shofheinz with RADC Venture Limited, David Judd, Kimberly Kern and Russell Watkins with WRADC Venture, Michelle Gardner and Corey Kratz. He understood that Terence Clark and David Judd are with the bank. The other two are with Fannie Mae. Michelle Gardner indicated that she intended to hold off and to use the statute of limitations. At that point \$4,000 would be forgiven and she would have to pay the remainder. The unpaid amounts were \$3200, \$5500, \$4200, \$5900, \$10,648 and \$2200.

Mr. Tyler stated that he has had several conversations with Revenue Recovery regarding the Owners Association and how to clean up the procedure for placing liens. He understood from Frieda that it was important for the Water Company to close on the water shares as soon as the law allows.

The next meeting was scheduled for October 17th. The annual meeting was scheduled for November 14th.

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

Pine Meadow Mutual Water Company
Monthly Board Meeting
September 19, 2013
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adjourned at 7:12 p.m.

Minutes Approved

Date