

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 14, 2014

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Bill George, Kelly Cox, Dan Heath – Board Members

Ex Officio: Brody Blonquist, Trevor Townsend

Tony Tyler was excused.

Guests: Brandon Jensen; Marcie Adams, Lot PI-D-14A

Eric Cylvick called the meeting to order at 6:25 p.m.

Minutes

Cal Cragun noted the minutes did not clearly reflect that the bids were actually published in the newspaper. Since it is required by law, he thought it should be clarified in the minutes.

MOTION: Eric Cylvick moved to APPROVE the minutes of July 10, 2014 as corrected. Bill George seconded the motion.

VOTE: The motion passed.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Allwest Communications and Catapultion were for the internet. Clyde, Snow, Sessions and Swensen were legal fees. Construction Material Recycling was for grinding the road. Horrocks Engineers was for engineering on the water line connection. ID Electric was for the two new pumps at Bobcat Springs and Oil Well. The second charge was to re-program the Tollgate well. The charges for ID Electric could go under the loan. KGC Associates was for Carol's services. Meter Works was for 1" frost plates to have on hand for the winter. Park Record was to advertise the water line bid in the newspaper and online. Pine Meadow Mutual Water Company was the escrow debt reserve fund for the loan. Revenue Recovery was payment to the collection agency for collections from direct payments.

Rocky Mountain Power was the monthly power bill. Select Health was the insurance premium. Summit County Public Health was the test samples on the water system. USA Bluebook were parts for the fire hydrants. Utah State Division of Finance were the loan payments. Utah State Tax Commission was for vehicle registration. Verizon Wireless were the cellphones. The Wasatch Wave was to advertise the bid on the water line in the newspaper and online.

Mr. Cylvick added a bill from Evergreen Engineering for the engineering and survey work on the road in the amount of \$16,220, which would go on the loan.

MOTION: Eric Cylvick made a motion to approve paying the bill from Evergreen Engineering as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Eric Cylvick moved to pay the unpaid bills as presented dated August 14, 2014. Kelly Cox seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick noted that the Fred Bacon bill was pulled from the unpaid bills. He intended to use the loan money to pay the debt, but he wanted to wait until the end of the year to see if funds were still available. Brody thought they had paid the bill last month for \$20,000. Mr. Cylvick noted that he had put the bill on hold at the last meeting. Mr. Cylvick asked Carol to send him an email letting him know if the Fred Bacon easement was paid. If it was paid it should have been paid through the loan. If it was not paid, he still preferred to hold payment until they see how much is left on the loan.

Public Forum

Marcie Adams, Lot PI-D-14A, stated that she and her husband own the lot and they would be living on the Ranch full-time. Brandon Jensen, was their builder.

Brandon Jensen wanted to know when the water is turned off for the winter. Mr. Cylvick replied that the water has been left on year-round for several years. Brody noted that when problems periodically occur the water may be shut down for a short time. He recommended that the property owners have some type of storage system. Marcie Adams stated that they would be year-round residents and they had already

looked into a storage system.

Mr. Jensen asked if they should contact the County to purchase water rights. Mr. Cylvick explained that the Pine Meadow Mutual Water Company owns the water rights, and the property owner can purchase a water share from the Water Company. Mr. Jensen wanted to know if the Water Company could recommend a contractor if they decided to drill a well on their property as a backup source or even as a primary source; and if they drilled their own well, how would they purchase the water share. Brody stated that if they drill a well they would lease the water share through Weber Basin Water.

Mr. Cylvick stated that he has lived on the Ranch for 17 years year-round. In his opinion, it is better to be part of the water system and spend the money on water storage as opposed to drilling a well because the cost would be half the amount. He noted that the Water Company tests the water monthly and it is a community water system that meets State and Federal standards. Brody stated that some owners were converting their storage tanks to also act as fire suppression as well as water storage.

Mr. Jensen understood that Pine Meadow Ranch was recently annexed into another Fire District. He had contacted the Fire Chief who told him that his residence would not be required to have a fire suppression system. Brody believed that was determined by the Summit County Building Code. Mr. Jensen stated that Summit County had told him to contact the Fire District. Brody pointed out that the annexation had not yet been finalized. He recommended that Mr. Jensen double-check with Summit County and the Fire District to make sure he was given the correct information.

Mr. Jensen asked about propane service. Brody named Utah Propane Gas, Hone Propane, and Wasatch as some of the providers. Ms. Adams asked who the Board would recommend. Brody understood from others that Hone Propane offered the best price. It was noted that only certain companies will service buried propane tanks. Mr. Cylvick pointed out that buried tanks are more attractive and have less fire issues. Mr. Jensen asked about the average propane use. Mr. Cylvick stated that he has a 3,000 square foot house and he uses approximately 500-600 gallons per year.

Ms. Adams and Mr. Jensen left the meeting.

Financials

The Board reviewed the profit and loss/budget versus actual. Brody thought the profit and loss was confusing to read and asked if it was possible to eliminate some of the unnecessary items. Mr. Cylvick agreed. As an example, all the line items under utilities could just be consolidated into one line item called Utilities. Carol could keep the line items for her accounting purposes, but it could be reduced in the financial statement that goes to the Board. Brody pointed out outdated items, such as the Pine Meadows Special Service District, that were still showing on the financials. The Service District was dissolved 15 years ago and there was no reason to have it on the profit and loss.

Mr. Cylvick stated that if there were items that Brody thought were unnecessary, he could prepare a list and ask Carol if they could be removed.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated January 1st through August 14, 2014. Kelly Cox seconded the motion

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. George questioned how the net income could be 80.5% and the equity only 64%. Mr. Cylvick explained how the equity is calculated. The equity amount is the difference between the total assets and the total liabilities.

MOTION: Eric Cylvick moved to APPROVE the balance sheet per year comparison as of August 14th, 2014. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody stated that there was very little to report. Mr. George asked about the culvert. Brody replied that it was finished. Mr. Cylvick stated that the next step is to have the road surveyed every hundred feet. Following that Jody would have enough road base delivered to create a crown under the pavement. The pavers were scheduled on August 25th. Mr. Cylvick pointed out that the road would only be accessible to Rick Rouse. Jody will put up barricades and park the grader across the road. Everyone has been notified about the road closure.

Mr. Cylvick reported that Summit County had offered to pledge \$243,000 to help re-

route Forest Meadows. Jed with JE Excavating had submitted a cost estimate close to that amount, excluding the paving and the guardrail. The project was going well and that section of the road would be much safer. Brody believed they would be starting to dig the water line by the next Board meeting.

Mr. Cylvick stated that Dave needed an agreement between Mountain Regional and the Water Company for the water line. He had sent Ted Barnes an outline to draft a Memorandum of Understanding. Mr. Cylvick remarked that the MOU would basically say they were going to connect and there would be meters on both ends. It would explain exactly what is being done, and it will define the relationship in terms of who pays for what and how. Mr. Cylvick will work through the MOU with Mountain Regional and he will email the first draft to the Board Members. Mr. Cylvick stated that Mountain Regional is not allowed to charge an annexation fee, but they can charge an infrastructure fee. Looking towards the future, if Pine Meadow should ever annex in he had negotiated with Mountain Regional to give the Water Company 50% of the infrastructure fee to pay down the principle and interest of the existing loan. Mr. Cylvick had asked Ted Barnes to include that negotiation in the draft agreement. As of now they will hook up and Brody and Trevor will meter how much water goes in each direction. The cost to the Water Company to upgrade the telemetry system to see how the tanks are doing was estimated at \$22,000. Mr. Cylvick asked Mountain Regional if that could be set up as a credit against the water that comes to Pine Meadow.

Mr. Cylvick did not anticipate Pine Meadow needed water from Mountain Regional unless something unforeseen occurs. He believed it would be more of a give and take situation between the two entities. Brody explained that his preference would be for Mountain Regional to zero out at the end of every month to make it easier to track the monthly balance.

Brody had obtained a bid to build a pole barn. He contacted several other companies but they had not responded.

Now that Mr. Cylvick had prices for everything he would re-check the math to make sure there was enough loan money to cover the water line, the road and the engineering.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:15 p.m.

Pine Meadow Mutual Water Company
Monthly Board Meeting
August 14, 2014
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Minutes Approved

Date