

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY SEPTEMBER 18, 2014

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Kelly Cox, Tony Tyler

Excused: Brody Blonquist, Trevor Townsend

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

Approval of Minutes

MOTION: Cal Cragun made a motion to APPROVE the minutes of August 14, 2014 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed. Tony Tyler abstained since he had not attended the August meeting.

Guest: Bob Merrill, Lot A-27

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that the collection rate was 95% and they were \$32,000 under the Revenue budget. Brody stated that they should have received an impact fee from Lot D-14 and another impact fee from a lot on Tollgate. Mr. Tyler recalled that Marci Adams, Lot D-14, had talked about the lot next to hers annexing into the HOA and the Water Company. He believed they could expect to hear from the property owner regarding the annexation.

Mr. Cylvick asked about the \$4,471 for the new shop building. Brody replied that it was a 20% deposit. Mr. Cylvick stated that the deposit amount would go on the Division of Drinking Water (DDW) loan.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated September 18, 2014. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cragun asked if Brody had asked Carol

why the trackhoe they sold was still showing on the financials. Brody stated that he had spoken with Carol about the number of lines items and she agreed to go through the financials and remove the unnecessary items. Carol had told Brody that because of the audit, some items needed to remain for a certain amount of time.

MOTION: Tony Tyler moved to APPROVE the balance sheet date September 18, 2014 as presented. Kelly Cox seconded the motion.

VOTE: The motion passed unanimously.

Public Input

Mr. Merrill, Lot A-27 thanked Brody for clearing some questions up for him. Mr. Merrill thought communication regarding the project was poorly handled, particularly in how it affects his resident situation and others. Mr. Merrill understood that the Pine Meadow Mutual Water Company services a vital need on the Ranch, but the property owners are customers and they deserve communication. He should not have to attend every Board meeting to know that a pipeline was being installed next to his property. He noted that Mr. Cylvick had talked to him about the project but he did not believe it was presented fully and honestly and in the full scope it had become. Mr. Merrill felt let down when Mr. Cylvick did not communicate progress updates after telling him he would.

Mr. Merrill stated that he only became aware that things were moving forward after he received a call from his tenants telling him that surveyors were in the yard. As customer, the property owners deserve the respect and communication that goes along with major projects. Mr. Merrill remarked that this was a large project that affects his property values and his tenants. A road was going in through his back yard and while the Water Company has the easement and the right to do it, he has the right to request the information and to be forewarned. Mr. Merrill asked the Board to be forthcoming in the future, and to tell the people affected by their actions what is going to occur.

Mr. Merrill stated that he was not "picking on" Mr. Cylvick, but he is the President of the Water Company and it was frustrating when he left messages and did not get called back. He eventually called Brody and Brody was very helpful. They were able to sit down and have a level-headed discussion and he commended Brody for taking the time to explain the project.

Brody took some of the responsibility himself and apologized to Mr. Merrill for not

getting it out to the public. He and Trevor were overloaded with work and the last thing on his mind was to send an update to the property owners. Mr. Merrill stated that it was not all on Brody because he had not heard it from his area representative or anyone else. Commissioner was his primary concern. The project is an intrusion on his property, but he recognized that they were professionals who had gone through the proper channels.

Mr. Cylvick informed Mr. Merrill that he received more attention than anyone else in the last few years on any of the projects. He talked with Mr. Merrill on the phone and he visited with him in person to show him the map and explain the project. Mr. Merrill pointed out that Mr. Cylvick made that effort after he received the call from his tenants about the surveyors. Mr. Cylvick noted that it was a month and a half before the project started. At the end of their conversation Mr. Merrill asked him if the project was going to happen and Mr. Cylvick told him yes. Mr. Cylvick stated that he had been business traveling almost constantly for the last two months, and he was not going to apologize for lack of communication because he had given Mr. Merrill all the information.

Mr. Merrill was not interested in having the same argument and thought they should move on. His concern moving forward was the placement and construction of the gate. Brody stated that he was going to contact Mr. Merrill the following week to discuss the gate. The plan is to build the gate up and have a road cut. After talking with Larry, they are willing to tie on to where Larry's rock wall comes across and bring the gate across because it would keep four-wheelers from going around it. Mr. Merrill asked about the plan for maintaining the road. He asked about seeding or grass growing on the road and whether large trucks would be using the road and passing through his back yard. Mr. Cylvick was not concerned about the road material as long as the road remained passable. Mr. Cylvick explained that the road would only be used as an emergency exit. The gate would be closed and traffic would not be allowed through unless there was an emergency on the Ranch. The Water Company would spread seed and Brody and Trevor would walk the road once a year and remove anything that would restrict passage.

Unpaid Bills

Brody reviewed the unpaid bills. Chemtech Ford was for water samples. Allwest Communications and Catapultion were for the internet. Cleary Building Corporation was the remainder of the balance after the down payment on the shop. Brody noted that the bill did not have to be paid now. He believed Carol included it with the bills because he had sent her the information.

Mr. Cylvick asked if they were pouring a slab or if it would be gravel. Brody stated that it would be the same as it sits now. Mr. Cylvick thought they should put down gravel for drainage. Trevor noted that there currently was 3" minus underneath.

Brody continued with the unpaid bills. Clyde, Snow and Sessions were legal fees. Ferguson Enterprise was repair parts. Geary Construction was gravel. ID Electric was for the two pumps they were still waiting on. KGC Associates was for Carol's services. Kilgore was for the asphalt, Komatsu Equipment was for lug nuts they lost off the backhoe. The bill from the Pine Meadow Ranch Owners Association was for 12 loads of base from Geary Construction for lower Tollgate for the asphalt. Revenue Recovery was for PI-D-97. Pine Meadow Mutual Water Company was the escrow debt reserve fund for the loan. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium. Summit County Recorder was for filing the Unpaid Assessments. Utah Division of Finance was for the two loans. Utah State Tax Commission was to register a vehicle. Verizon Wireless was the cell phones.

MOTION: Eric Cylvick made a motion to pay the unpaid bills, excluding the bill from Kilgore in the amount of \$136,648.38 and the invoice from Cleary Building Corp in amount of \$17,882. He asked Carol to hold on paying the Kilgore invoice until they seal the road. Kelly Cox seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick stated that the bills from Cleary, Clyde Snow and Sessions, and Geary Construction, and ID Electric could go on the loan. When they are ready to pay Kilgore, that would also go on the loan. Mr. Tyler noted that the payment to the Pine Meadow Ranch Owners Association could also go on the loan.

Manager's Report

Brody reported that the leak was repaired on Pine Meadow Drive. A saddle had burst and they had to shut down the line. He and Trevor started marking the fire hydrants and the pressure on the fire hydrants. They have been overseeing the projects.

Brody stated that they were waiting for the plans to be engineered through Cleary. Once they have the plans they need to follow up with Summit County.

Mr. Cox reported that Brody and Trevor had replaced a meter last Fall for one of his neighbors, the Thomas', and the new meter was leaking.

Mr. Cragun noted that Trustee terms were expiring for him and Mr. Cox and they needed to run again for their position. Brody stated that it needed to be noticed to the members in case others wanted to submit their names as candidates.

Pine Meadow HOA Update

Mr. Tyler reported that the HOA signed the lease with the Fire District. The temporary fire station would be located in the area of the old shed that used to be down at the bottom. They chose that location because eventually the HOA would take over that building and use it as the shop area, and they wanted to be able to drive in and out of both sides. The temporary building has been ordered and the fire station should be up before winter.

Mr. Tyler stated that the HOA has been working with the Fire District and they will probably end up trading some land across from the garage house to build a permanent fire station in exchange for the shop.

Mr. Tyler reported that the HOA has been working with JE Excavation to do the Forest Meadow road project. He anticipated that project would start in the next two weeks. They have until December 1st to finish the project. During that time Forest Meadow Drive at the bottom will be completely closed and all the traffic will go up Tollgate Canyon.

Mr. Cragun thought the Water Company should advertise the emergency road and allow people to walk it for two days. After those dates the gate would be closed and no unauthorized personnel will have access. Mr. Tyler thought they should inform all the property owners that they can walk the road any time they want. He pointed out that the road is an easement and the owners have the right to cross it. However, the section of the road on Mr. Bacon's property is not publicly accessible. Mr. Tyler believed it was a safety issue and the general population needed to know about it. Mr. Cox agreed. Mr. Cragun suggested putting up a sign that says "no turnaround, dead end".

Pine Meadow Mutual Water Company
Monthly Board Meeting
June 19, 2014
Page 6

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees
adjourned at 7:10 p.m.

Minutes Approved

Date