

APPROVED
April 13, 2017
as written

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, MARCH 9, 2017

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Bill George, Cal Cragun, Craig Gilliam – Board Members.

Ex-Officio: Trevor Townsend

Excused: Tony Tyler

Guests: Rita Ogden and Wendell Larsen, Lot PI-PD-12; Jessica, Lot SS-145-D1.

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

Approval of Minutes

MOTION: Cal Cragun moved to APPROVE the Minutes of January 19, 2017 as written. Craig Gilliam seconded the motion.

VOTE: The motion passed unanimously.

Visitor Forum

Lot PI-D-12

Rita Ogden, Lot D-12, had submitted information via email requesting a one-time reduction because of a leak. She received a response saying that because of the actual difficulty of determining the water leakage versus the water irrigation, the Board had determined that the water use was not from a leak, but actual usage due to an irrigation system.

Ms. Ogden had sent the Board members a spread sheet showing the months and the usage to show that the 52,000 gallons is when the leak occurred, as opposed to irrigation occurring.

Mr. Cylvick stated that Brody Blonquist has expressed concern with the irrigation system and irrigation in general because irrigation use of water is not allowed per the Bylaws and the Rules and Regulations. Trevor Townsend stated that between when the meter was

read to when they shut the meters off they recorded 52,269 gallons used.

Mr. Larsen remarked that he went up after Brody and Trevor contacted him and he found that the line that comes in underneath the foundation and into the brass fitting has blown completely out. It had nothing to do with the irrigation. He fixed the line and took pictures of the repairs. Mr. Larsen stated that he bought a new brass fitting with a clamp so the line could not blow out again.

Mr. Cylvick stated that if it was an internal leak that was repaired and the repair was inspected by Brody and Trevor, he was comfortable giving a one-time reduction on the 52,269 gallons only. The rest of their bill was for actual usage. The Board members agreed. Ms. Ogden was comfortable with that offer. Mr. Cragun emphasized that it is a one-time reduction and if there is another problem in the future the Board would not be able to give another reduction.

MOTION: Eric Cylvick moved to grant the one-time reduction for Lot D-12 for 52,269 gallons. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Lot SS-145-D1

Jessica stated that she had attended the Board meeting in September to talk about extending the water line to her land. She was ready to build and needed a water letter to obtain a building permit. Mr. Cylvick was not present when Jessica met with the Board in September. Trevor updated him on the request and what needed to be done to extend the line. Jessica noted that she had requested a partial reimbursement for her part with Rocky Mountain Power for the electrical and her attorney had drafted a letter of agreement. There was discussion at the September meeting to have reimbursement for her part in extending the water line. The Board was going send to that agreement to their attorney for review. She had not heard back from anyone after that meeting.

Mr. Gilliam recalled that Mr. Tyler was present at the September meeting and said that it was not uncommon to reimburse the property owner. Mr. Cylvick stated that concern was how to enforce it since the Water Company is not a public utility. Jessica understood that this was a volunteer Board and different from Rocky Mountain Power, but she assumed that no one else would be able to tie into the pipeline without the Water Company knowing about it. She believed their attorney would alert them if there were any problems.

Mr. Cylvick understood that Jessica would cover the cost of the engineering and the water

line, but he reiterated his concern for finding an enforcement mechanism for being able to tell another owner how much they would have to pay to hook up to the line. He suggested that the Board table that issue for now and talk about the water letter.

Mr. Cylvick explained that in order to obtain the water letter they would need to have the engineering done and approved by the State. The State would need to approve the standard design from Horrocks Engineering. Once that was completed, Jessica would put out for bids on that design. He asked if Trevor and Brody would inspect the installation once everything is done. Trevor answered yes, that he and Brody would manage the contractor because it would need to be installed per the Water Company specs and standards.

Jessica asked at what point in the process she would be able to get her water letter. Mr. Cylvick replied that she would get the water letter as soon as the impact fees and connection fees are paid. Trevor asked if Jessica covers the cost of the entire line whether that would include the fees. Mr. Cylvick replied that there would still be an impact fee and a meter purchase before setting the meter. Jessica asked if the water letter would be issued once she is under contract and all the fees are paid. Mr. Cylvick said that it would be issued as soon as everything is paid and under contract.

Mr. Cylvick stated that Brody and Trevor would follow through on this next week to get the process moving forward. Trevor stated that unless there are complications, the engineering and State approval process should take a couple of weeks. Mr. Cylvick wanted a quote from the engineering, Dave Dillman, before he begins any work. The quote would include time to do the engineering and whatever time he needs to push it through the State. Once Jessica pays that amount to Horrocks Engineering, Mr. Dillman would proceed with the engineering. In the meantime, the Water Company would send her an invoice for the Annexation fee, impact fee, and the water meter. At that point, Jessica would take the engineering drawings to her contractor for a bid. Jessica would pay the construction costs and the Water Company would supervise the installation to make sure it is installed per State standards. In the meantime, the Board could talk about policy for how other people hook into the line. He would be comfortable enforcing it as long as it was in writing and approved by their attorney.

Mr. Cylvick summarized that Trevor Townsend would contact Dave Dillman at Horrocks Engineering for a quote and an approximate timeline on the engineering, walking through the State approval process, and providing Jessica with a final set of drawings. If Jessica agrees with the quote she would pay Horrocks Engineering and Mr. Dillman would proceed. In the meantime, the Water Company would send Jessica an invoice for the Annexation fee, impact fees, and meter purchase and she will pay that if Mr.

Dillman finds no issues. Once the impact fee is paid, the Water Company will issue the water letter. After she receives the water letter, Jessica can apply for building permits and begin construction. She would be responsible for having the water line installed and supervised by Brody and Trevor. Mr. Cylvick asked Trevor to follow up with Carol and ask her to invoice Jessica for the fees.

Mr. Cylvick asked Jessica to send him a copy of the contract she had provided in September and he would contact the attorney, Ted Barnes.

Financials

The Board reviewed the Profit and Loss, Budget vs. Actual. Mr. Cragun noted that there was one impact fee and potentially two others. If the impact fee for Jessica had not been included there could be three potential impact fees. Mr. Cylvick noted that they had budgeted \$6,662 for impact fees and had only collected 5,171.

MOTION: Eric Cylvick moved to APPROVE the profit and loss, budget versus actual as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet. Mr. Cragun noted that they had collected 73% in assessments, which was good for this early in the year.

MOTION: Cal Cragun moved to APPROVE the balance sheet as presented. Craig Gilliam seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Trevor Townsend reviewed the unpaid bills. Allwest and Catapulsion were for the Internet. Clyde Snow and Sessions were legal fees.

Mr. Cylvick noted that the bill from Clyde Snow and Sessions was for the attorney to meet with the Division of Drinking Water to discuss the possibility of the Water Company eliminating some of their Weber Basin water shares. It is a challenge because the water shares are used as collateral in their contract for the loan. However, the State realizes that those shares are not being used and that the Water Company is doing well in paying the loan. The attorney thought they would be allowed to get rid of some of the water shares.

Trevor continued with the unpaid bills. The House of Hoses was still showing a credit. KGC Associates was the bill for Carol's services. Revenue Recovery was the collection agency. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium, Governments Trust was the Worker's Compensation Audit, Division of Finance were for the two loan payments.

MOTION: Eric Cylvick made a motion to Approve the unpaid bills as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Trevor reported that everything was going well. He and Brody helped plow snow all winter. It was a busy winter and a lot of people came to the Ranch on the weekends.

Trevor stated that the hand-held meter readers are obsolete and the companies no longer make them. They now put the same software into a tablet. He explained how the tablet works. It is similar to how they read the meters with the computer. The new system would be approximately \$2800, including the cost of the tablet, the software, and having it set up. He had spoken with the company about a possible trade-in. Trevor explained how it would work and features that the hand-held readers do not have. Mr. Cylvick asked if it was a significant tool that they do not have now. Trevor thought they would use it a lot.

MOTION: Eric Cylvick moved to authorize Trevor and Brody purchase a new tablet with the meter reading software. Craig Gilliam seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick noted that Mr. Gilliam was moving away and this was his last Board meeting. The Board needed to appoint a new Board member in order to have a quorum.

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

Pine Meadow Mutual Water Company
Monthly Board Meeting
March 9, 2017
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Minutes Approved

Date