

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, APRIL 10, 2008

TERRA NOVA

WANSHIP, UTAH

Board Members in Attendance: Eric Cylvick, Eric Anderson, Cal Cragun, Bill George, Dan Heath - Board members

Ex Officio: Brody Blonquist–Water System Manager; Trevor Townsend

President Eric Cylvick called the meeting to order at 6:27 p.m.

Minutes

MOTION: Eric Cylvick moved to APPROVE the minutes of March 6, 2008. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Financials

Eric Cylvick reviewed the profit and loss/budget versus actual report and commented on how well they were doing with the assessments. He noted that they were still down on annexation fees and impact fees. He had received a few calls from people inquiring about water, which indicates that some people are interested in building.

The Board discussed the prior years tracking that Carol shows on the profit and loss and why it is helpful to have that information.

Cal Cragun thought the \$989.00 telephone charge under utilities was high. Mr. Blonquist remarked that the charge was for four phones.

Bill George referred to the metered water assessment for 2008 in the amount of \$163,000. He wanted to know why it was only \$2700 for 2007. Mr. Anderson explained that the \$2700 is what was paid in 2008 for metered assessments that were due in 2007.

Mr. Cragun referred to other expenses and assumed the \$1457.36 paid for the engineering project was the amount Pine Meadow paid out for their projects and not money that would be reimbursed by Mr. Tarver, the gentleman they spoke with at the last meeting. Mr. Blonquist clarified that the amount was strictly for the project and that it had nothing to do with Mr Tarver.

Mr. Blonquist referred to page 2 of the profit and loss, the Mobile Mini storage unit rate and noted that the rate shown in the amount of \$385.08 should be moved to page 3, under storage unit rental project category.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

MOTION: Mr. Anderson moved to APPROVE the balance sheet and each year comparison. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun noted that the balance sheet shows real estate ownership in the amount of \$240,000 and all the rest is fixed assets. He asked if there was a better way to show that amount in order to get a better tax rate. Mr. Anderson asked if the wells and land were considered as real estate. Mr. Cylvick believed that only the land was real estate. He pointed out that they also have additional lots for source protection.

Mr. George pointed out that the retained earnings had doubled this year from last year. He felt they should be aware of that for tax purposes. Mr. Cylvick stated that they have not paid taxes on retained earnings. Mr. George understood but worried that the government may step in and say that the retained earnings will be taxed if that money is not put into use. Mr. Cylvick explained that Pine Meadow is non-profit and, therefore, retained earnings are not taxed.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Capital One were charges for the rooms in St. George. Catapultion was for the Internet. Clyde Snow and Sessions was attorney fees. Home Depot showed a 16 cent credit. KGC Associates was Carol's invoice for her services. Mobile Mini was for the container. Mountain States Water Works still showed a credit from items they had previously returned.

MOTION: Eric Cylvick moved to APPROVE paying the unpaid bills for April 10, 2008. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

Correspondence

Mr. Cylvick reviewed the notes and correspondence from Carol.

Mr. Anderson asked if Now Recovery had filed for bankruptcy. Mr. Cragun stated that Now Recovery had said they were filing for bankruptcy but never did. Mr. Cylvick stated that he would talk with Ted Barnes about taking them to small claims court before they do file for bankruptcy. Mr. Cylvick reported that they do business under NOW Recovery and WON Recovery and he intends to file against both names and the common ownership of the corporation.

Carol indicated that Kow Holdings, Lot FM-B-30 was paid in full thanks to Eric for filing the unpaid assessments with Summit County on Friday. The title company closed on Monday. Mr. Cylvick stated that Now Recovery had prohibited Carol from filing the notice of unpaid assessments on the lots they were trying to collect on because they wanted the money to come directly to them. Mr. Cragun pointed out that Pine Meadow originally gave permission for Now Recovery to do that. However, they believed that if Now Recovery filed for bankruptcy, Pine Meadow would be released from their contract. This could be one reason why Now Recovery has not filed.

Miscellaneous Business

Mr. Blonquist reviewed a list of the priority projects they would like to do this summer. The first project was the wiring of the heaters in the pump houses. The pump houses are not in the best shape and they are not up to code. Mr. Blonquist reported on a bid he received from Chesley Electric in Park City. He had received a call from Carol and her husband would like to put in a bid, also. Mr. Blonquist will have him come for a bid when they can access the pump houses this Spring. Mr. Cylvick thought they needed to have three bids. Mr. Blonquist stated that he tried to get three bids but the only person he could get to come up was Chesley Electric. Mr. Cylvick asked Mr. Blonquist to check with the State on the number of required bids.

Mr. Blonquist stated that the second project is to scrub Uncle Tom's well to see if they can increase the gallons per minutes from that source. He noted that the Board had discussed this at a previous meeting. Peterson Well Company provided an over-the-phone bid and it was between \$20-25,000. This bid could go up depending on the size of the pump and whether or not there is single phase or triple phase power out there. The pumps are currently run on single phase power. He knows there is three phase to Bobcat. Mr. Cylvick stated that he would be surprised if there was three phase all the way up.

Mr. Blonquist stated that the third project is to build a new shop and office. The plans were completed.

The fourth project is to lay the 10" and 12" piping. All the material and the piping have already been purchased. There is still a little work on Pine Loop that needs to be done with regards to dead end roads, valves, hydrants, etc. He believed that work could be completed in two weeks.

Mr. Blonquist stated that the fifth project is to replace the PRV's in Forest Meadows. Those have been purchased and will be installed while Forest Meadows is shut down. Dan Heath assumed that Forest Meadows could be out of water for at least a month and a half. Mr. Blonquist replied that this was correct. He was unsure when that project would start. Mr. Heath felt they should post signs to alert the property owners.

The sixth project is to buy and replace the T's and connections in Forest Meadows. The problem is not knowing where all the plastic T's are located. Some that were dug up were plastic and others were cast. Putting in the PRV's will replace some of those plastic T's. Mr. Blonquist suggested that they purchase ten T's and put them in storage so they can have them available to replace as they go along.

The seventh project is to replace the pipe and plumbing in the pump house. Mr. Cylvick asked Mr. Blonquist to find the hydrologist report and look at the well logs for Tollgate to see what it was pumping originally.

The Board discussed the plans for the new shop and office. Mr. Blonquist stated that once the plans are finalized he will take them to Summit County and Rocky Mountain Power to make sure everything is covered to avoid any expensive surprises during construction. Mr. Cylvick believed they would end up with a \$150,000 shop. He recognized that it appears to be extravagant but they will never get the money again and it is a worthwhile project, particularly in terms of taking care of their major equipment.

Mr. Cylvick reported that he had not heard anything from Mountain Regional regarding the situation with Stagecoach.

The next meeting will be held at the gravel pit on May 8th.

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

Minutes Approved _____

Date _____