

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, APRIL 15, 2010

PINE MEADOW RANCH

SUMMIT COUNTY, UTAH

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

Ex Officio: Trevor Townsend

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

**Minutes**

MOTION: Cal Cragun moved to APPROVE the minutes of March 11, 2008 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

**Financials**

The Board reviewed the profit and loss/budget versus actual. It was noted that standby water assessment collections had gone down considerably. Mr. Cylvick noted that many people pay monthly via credit cards. He expected that the meter and standby fees for 2010 would end up at 92%.

MOTION: Eric Cylvick made a motion to APPROVE the profit and loss/budget versus actual dated April 15, 2010. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cragun stated that \$60,000 would be transferred from the money market account at Brighton Bank to Zions Bank in order to pay the current bills.

Mr. George asked why the balance sheet showed the \$90,000 loss from the foreclosed lots. Mr. Cylvick explained that the Water Company does not own the lots. They only own the water share associated with the lot, which accounts for the outstanding balance. The Water Company no longer sends bills because the property owner no longer owns the water share. If the lot is sold, the new buyer would have to pay off the balance in order to connect to the water system.

MOTION: Bill George moved to ACCEPT the balance sheet as presented dated April 15, 2010. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

### **Unpaid Bills**

Trevor Townsend reviewed the unpaid bills. All West Communications and Catapultion were bills for internet service. Clyde, Snow and Sessions were attorney fees. The bill from Coalville Farm and Auto Supply was for anti-freeze. HD Water Works was for meter reading equipment for the visual meters. The bill from Horrocks Engineering was engineering for the well site.

Mr. Cylvick explained that Horrocks Engineering was also looking at all the points of conversion so everything would be surveyed and mapped out.

Mr. Townsend continued reviewing the bills. KGC Associates was Carol's services. Loughlin Water was for the point of conversion and the work Eric Cylvick had outlined. Mountain States was a credit. Sinclair Fleet was fuel. Suburban was for propane. Verizon was the phone bill.

MOTION: Brian Zelch made a motion to PAY the unpaid bills as presented. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

### **Correspondence**

The board discussed an email from Carol to the owner of PI-8 and Eric regarding the leak that was discovered by Brody and Trevor. The excess water amount could be significant and the board discussed a one-time reduction for the owner.

MOTION: Eric Cylvick made a motion to give Elizabeth Peck, PI-8, a one-time reduction on Invoice #10-0875 to reduce the charges. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick read a letter indicating a request from Larry Holt that the Board waive the billing fee.

MOTION: Cal Cragun made a motion to waive the charge. Brian Zelch seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun updated the Board on Revenue Recovery's progress for of the foreclosure lawsuit regarding Lot PI-E-16, Micorp Services/Bruhl.

### **Manager's Report**

Trevor reported on tracking several leaks over the last couple of weeks. Mr. Cylvick clarified that he was contacted regarding the problem. They shut off I-Plat and Iroquois but the problem continued. Once they shut of Tollgate it stopped and Trevor and Brody started to dig up meters. The problem was at the A-frame down at the bottom and the meter was never shut off.

Mr. Cylvick asked Trevor to call the owner at some point and explain that the bill. The Water Company would reduce that amount by approximately half.

### **Miscellaneous Business**

Mr. Cylvick reported on the process for the well that was established during a meeting with he, Brody Blonquist, Bill Loughlin and representatives from Horrocks Engineering. Mr. Cylvick pointed out that they have water capacity to service their current needs and they are actually looking for sufficient water capacity at build out. He remarked that paying to develop an area that they know has water is not as much a problem as paying to drill in an area that may come up dry. Mr. Cylvick had asked the engineers if there was a way to drill to find out if there was water in a specific area. He was told that there is a method, but it is more expensive and not everyone has the equipment. Mr. Cylvick stated that it would cost \$100,000 to drill a 6" hole 1500 deep. He suggested using the money to drill a test hole to find out if there is water before spending additional money.

Mr. Cylvick noted that Brody and Trevor are anxious to do the work on I-Plat to fix the pressure on Pine Meadow Drive, so that would be another expense. If they spend \$100,000 for a test hole and find out there is no water, it would be better than spending \$240,000 for another dry well. The site for the test hole would be next to the Salt Box well.

After further explanation and discussion, Mr. Cylvick stated that he and Brody believed that \$100,000 to find out if there is water is money best spent. He had spoken with Dave at Horrocks Engineering and with the Division of Drinking Water. The DDW had given their approval. It would be a replacement well so they would not need to repeat the entire process for drilling a new well.

Mr. Cylvick stated that he would begin the paperwork and the Board could make a formal decision and submit the papers. He noted that if they find water in the area, they could drill a large well and at some point possibly change the fee structure.

Mr. Cylvick commented on the easements for the I-Plat work. He spoke with all the landowners on A-Plat and I-Plat about running the water line there. He noted that nothing could be done until they find out if they already have easements in the roads. Mr. Cylvick pointed out that they would have to cross one property, but it may already be a pre-existing easement.

Cal Cragun commented on health insurance for Trevor and Brody. He noted that Blue Cross/Blue Shield made a change on the policy. He recalled a previous discussion about going to a Health Savings Account. Mr. Cragun stated that they are currently paying \$2800 per month on the plan. When they put it together with a HSA they were able to drop the premium to \$2,090. If they stay with Blue Cross, they would put \$6,000 into an account and it would be used like a credit card for prescriptions and deductibles. Mr. Cragun pointed out that the old plan had a \$250 deductible. He noted that the cards were sent out and \$3,000 would be available for Brody and \$3,000 for Trevor. Mr. Cragun noted that eight months of the premium savings would replenish the account. Any unused money can be rolled over into the next year.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:35 p.m.

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Minutes Approved

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Date