

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, FEBRUARY 13, 2013

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Kelly Cox, Cal Cragun, Bill George, Tony Tyler - Board members present.

Excused: Brody Blonquist, Trevor Townsend

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

**Minutes – January 17, 2013**

MOTION: Cal Cragun made a motion to APPROVE the minutes of January 17, 2013 as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

**Financials**

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick pointed out that the metered water assessments collected was good for this early in the year. Mr. Cragun noted that word had spread regarding the penalty assessment and people have started paying on time and through credit cards. He believed the ability to use credit cards has made a positive difference.

Mr. Tyler asked for the difference between the metered water and excess water assessments. Mr. Cylvick explained that metered water is the base fee. The excess water is everything above the 15,000 gallons allotment. The metered water assessment is the standard meter charge and the standby is a fee for vacant lots.

Mr. George referred to page 2, and asked which charges are itemized under Automobile Expenses. Mr. Cylvick assumed it was for tires and vehicle repairs and maintenance. He did not believe it included fuel charges. Mr. George was comfortable with the charges; however, he questioned the word "automobile" and thought truck or vehicle was a better term. He had recently gone through an audit with the IRS where he

encountered an issue because expenses for his pickup truck were listed as automobile expenses. Mr. Cylvick pointed out that another category on page 3 was Vehicle Use and Maintenance. He was unclear on the difference. Mr. Cragun would ask Carol for clarification.

MOTION: Eric Cylvick moved to APPROVE the Profit and Loss/Budget versus Actual dated February 13, 2013. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick asked that Carol email him a breakdown of the different checking and saving accounts. He would like an outline of what each account is for to refresh his memory. Mr. Kelly expressed an interest in understanding the different accounts. Mr. Cylvick asked Carol to cc all the Board members and Mr. Tyler. Mr. Cylvick also asked that Carol provide an explanation on the account that was showing a minus \$6,499.62 under Accounts Receivable.

Mr. Cylvick pointed out that the total loan amount was \$4,596,842 for the two loans combined. There was \$88,501 in the Debt Reserve. They had a Contingency of \$15,351 and a Legal Reserve of \$20,000. The Total Restricted Fund Balance was \$122,852. The Treasury Stock was water shares that the Water Company had foreclosed.

MOTION: Eric Cylvick moved to APPROVE the Balance Sheet dated February 13<sup>th</sup>, 2013. Bill George seconded the motion.

VOTE: The motion passed unanimously.

### **Correspondence**

Mr. Cragun reported that Carol had told Grant Nash, Lot PI-C-13, that the Water Company would not consider granting the one-time reduction until Mr. Nash provided a bill showing that the repairs had been made. Mr. Cragun could not find a repair bill in the packet of information from Carol. Mr. Cylvick asked Carol if either she or Brody would verify the repair for Grant Nash. He believed the Board was willing to grant the one-time reduction but they first needed confirmation that the problem was repaired.

### **Unpaid Bills**

Mr. Cylvick reviewed the unpaid bills. Allwest Communication and Catapulsion were for the internet. American General Life was the life insurance policy. Clyde, Snow and Sessions were legal fees related to Aspen Ridge. The bill from Coalville Auto and Farm Supply was not itemized as to specific charges. KGC Associates was the bill for Carol's services. Leavitt Group of Wasatch was the general liability insurance. Pine Meadow Mutual Water Company was for the debt reserve. Revenue Recovery was for direct paid collections. Rocky Mountain Power was the typical power bill.

Mr. Cragun noted that the bill from Rocky Mountain Power was much higher than normal because it included \$337.51 for Deer Meadows. He asked Mr. Cylvick to contact Rocky Mountain Power to find out why Deer Meadows was included. Mr. Cylvick authorized Carol to pay the Rocky Mountain Power bill, excluding the \$337.51 and any other charges identified as Deer Meadows. He also asked Carol to find out why Deer Meadows was included on the bill.

Mr. Cylvick continued with the unpaid bills. Select Health was the health insurance premium. Utah State Division of Finance was the monthly loan payment. VanCon Inc. was for work on the well. He noted that some of the retainers were still for I-Plat and Tollgate.

Mr. Cylvick stated that he would like to speak with Brody about the \$500 per day penalty before paying the VanCon bill.

MOTION: Eric Cylvick moved to APPROVE paying the unpaid bills dated February 13, 2013, excluding the VanCon, Inc. bill until they receive further clarification from Trevor and Brody concerning the per day penalty. Kelly Cox seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick presented another bill from the Wasatch Door Company in the amount of \$180 to repair the office door.

MOTION: Eric Cylvick moved to pay the bill from Wasatch Door Company dated January 28, 2013 in the amount of \$180. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick noted that Brody had requested that the Board discuss the bid from Chesley Electric to install new lights in the shop. The existing lights are not very good and they can no longer purchase the ballasts. Mr. Cox thought they should obtain a second bid for comparison. Mr. Cylvick asked that Brody obtain two additional bids and email them to the Board members.

### **Manager's Report**

Mr. Cylvick noted that Brody had provided a written manager's report.

The Lower Tollgate well had been turned into the system and was working great. The booster pumps coming up the canyon that they originally thought would only pump around 20 gallons per minute were pumping approximately 35 gallons per minute. The well was set at 32 gallons per minute. The pumps are only running approximately 32 hours compared to 64 hours before they turned the new well into the system. The pumps are off for approximately 120 hours due to Body and Trevor having found all the leaks on the Ranch.

Mr. Cylvick noted that the advantage of the booster stations producing 35 gallons per minute is that they do not need the money they had budgeted for the booster stations. Mr. Cragun thought what the savings due to the decrease in hours used should be set out per dollar and presented to the owners at the annual meeting so they know money is being saved. Mr. Cylvick remarked that Aspen Ridge would even be more cost-effective. If they are fortunate enough to tie in Aspen Ridge, they would have to do an upgrade and place a full new line up Tollgate. They would pull out the old booster stations near Bobcat, reclaim the land and put in a new one which has more efficient pumps and bigger lines. That would not have to be done until they have another source on line on that side.

Mr. Cylvick estimated that the total production from all the well sources combined was approximately 82 gallons per minute. He remarked that the intent was to take the five gallons from Bobcat Springs out of the source because it is a surface spring and not a deep spring. The ground is clay and marshy. Mr. Cylvick assumed that Bobcat had been turned off and was no longer part of the water system. It would also decrease the chance for contamination. The excess water that comes out of Bobcat would be dumped into the pond.

Mr. Cylvick commented on the tanks. The 200,000 gallon tank is up high and currently

the system is designed where everything comes down to the Bobcat area and pumps up to the 500,000 gallon tank. The 200,000 gallon tank is then filled from the 500,000 gallon tank. Mr. Cylvick stated that the 200,000 gallon tank is a slave to the 500,000 gallon tank because there is no way to fill it without first filling the 500,000 gallon tank. If they do Aspen Ridge, they would run a new line up Tollgate all the way past Bobcat and up to the 500,000 gallon tank. At that point, he hoped they would have the ability to pump a portion of the water directly into the 200,000 gallon tank as an emergency scenario if something goes wrong with the 500,000 gallon tank. It would be beneficial if the two tanks could run independent from each other if necessary. In his opinion, if they get Aspen Ridge, run new lines, and make the two tanks independent, they would have the water system they always wanted. Mr. Cylvick pointed out that the Board did not need to make that decision now, but it should be made sooner rather than later.

Mr. Cragun asked about cost. Mr. Cylvick stated that the next step would be to discuss it at the next meeting and decide if it was something they wanted to do. If the answer is yes, they would task Dave Dillman to do the engineering and work out a cost estimate. They could either send it out as a separate bid, or it could be part of the same bid package as the main line.

Mr. George asked for the current percentage of build out. Mr. Cylvick replied that the current build out was over 50% of the lots. Mr. George asked if the property Mr. Cylvick had looked at on the west side would be built out at some point. Mr. Cylvick thought that would be difficult to predict for various reasons. Mr. George asked if those lots were considered in the build out possibility. Mr. Cylvick stated that build out only includes the number of lots within the Water Company that are part of Pine Meadow Ranch. He noted that the Division of Drinking Water specifies the number of gallons per minute required and he did not believe they had reached that point.

Mr. Tyler asked on which property the Aspen Ridge well was located. Mr. Cylvick had that information on his computer but he did not know the names and lot number offhand.

### **Miscellaneous**

Mr. Cragun asked about the Board dinner that was previously discussed but never scheduled. Mr. George offered Jeremy Ranch as an option again this year. Mr. Cylvick suggested that they table discussing a date and location until Brody and Trevor were present.

Pine Meadow Mutual Water Company  
Monthly Board Meeting  
February 13, 2013  
Page 6

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

Minutes Approved

Date