

PINE MEADOW MUTUAL WATER COMPANY  
BOARD OF TRUSTEES MEETING

THURSDAY, FEBRUARY 7, 2008

TERRA NOVA  
WANSHIP, UTAH

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

Ex Officio: Trevor Townsend

Brody Blonquist was excused.

President Eric Cylvick called the meeting to order at 6:49 p.m.

**Minutes**

MOTION: Cal Cragun moved to APPROVE the minutes of January 10, 2008 as written. Eric Anderson seconded the motion.

VOTE: The motion passed unanimously.

**Unpaid Bills**

Mr. Cylvick reviewed the unpaid bills. Mr. Townsend stated that the bill from Apco was to wire in the valve. KGC Associates was the bill for Carol's services. Mobile Mini was the storage unit. Mr. Cylvick asked about a bill from Mountain States for \$1350. Mr. Trevor assumed it was the cost of the valves on I-Plat. Rocky Mountain Power was the typical monthly bill. The bill from Local Government Trusts was for general liability and management liability. Verizon Wireless was the regular monthly bill.

MOTION: Eric Anderson moved to APPROVE the outstanding bills for February 7, 2008. Dan Heath seconded the motion.

Mr. Cragun corrected his earlier statement and clarified that Utah Government Trusts in a Worker's Compensation plan.

VOTE: The motion passed unanimously.

Mr. Cragun noted that Carol has said that a lot of the money is starting to come in from the homeowners using credit cards. Carol questioned whether or not they should continue to use one specific credit card in the future because of the fees involved. Mr. Cragun could not recall which credit card that was.

## **Financials**

Mr. Cylvick reviewed the profit and loss/budget versus actual. He reported that \$223,000 has been received to date. They have not had any impact fees. He expects an annexation to come in soon. Mr. Cylvick stated that 67% of the estimated meter assessments for 2007 was received. He has estimated considerably lower for 2008. Mr. Cylvick noted that they were conservatively over budget on source protection.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual for February 7, 2008. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick reviewed the balance sheet. After discussing some of the numbers, Mr. Cylvick wanted to talk to Carol before approving the balance sheet.

Mr. Cragun reported that he had moved \$70,000 from the checking account to the money market account.

## **Manager's Report**

Mr. Townsend reported that lines have frozen on Shady Lane Lots 57 and 62. He and Brody plan to pull one of the meters on Monday to see if there is water at the meter. They believe the service is frozen on the older line because it froze last year when no one else's did. If the main line is frozen he would expect to hear from more people tomorrow.

Mr. Townsend noted that Jeff Jensen on Shady Lane built an improvement on his house and he and Brody wondered how he obtained a building permit without water. Dan Heath stated that Mr. Jensen tapped into his neighbors well.

Mr. Townsend reported that everything else is going well. The tanks are full and all of the reserves are full.

Mr. Cylvick stated that several property owners have called Carol complaining that their water bills are higher than usual and they wanted Brody and Trevor to dig up their meters and check them out. Mr. Cylvick told Carol that the property owners own the meter and it is their responsibility to check the meter. If they do not trust the meter reading, the Water Company will re-test it for a fee. He pointed out that currently the meters are buried under ten or fifteen feet of snow.

## **Miscellaneous Business**

Mr. Cylvick reported that Now Recovery had cashed a \$6,000 from the debtor, Larry Long. However, Now Recovery Services has sent a letter notifying the Water Company that they are now filing for bankruptcy. Mr. Cragun noted that he had sent them a Ter-

mination of Service letter so they can no longer collect money. He pointed out that under the contract with Now Recovery Carol was not able to contact old clients. Following the Termination of Service letter they will be able to make those contacts and he felt they should aggressively pursue it. Mr. Cragun suggested that the new collection agency send letters to those who still owe money. The letter should indicate that money should no longer be sent to Now Recovery.

Mr. Eric Cylvick noted that the estimate to build the shop they discussed at the last meeting was \$105,500 for a 54' x 56' x 18' high building. This cost does not include the slab. It does include 6" batt insulation, walls, and vertical steel wall lines on the inside. He asked for input from the Board on whether or not they should consider this project. He stated that they will never have this money available again and the Board has done everything with the idea of getting the water system to a certain level. In the next ten years they will not have any large capital projects or need to purchase large capital equipment. Mr. Cylvick favored the idea of building something that can house all their equipment. He assumed the final cost would be approximately \$125,000-\$150,000. Mr. Cylvick noted that the building would be 3,024 square feet.

Mr. Anderson pointed out that it would hold the mini-hoe, the backhoe, the trailer, and everything else. The office would also be in that building. Mr. Cylvick stated that the Water Company could rent out the existing shop to the homeowners if they want it.

Mr. Cylvick wanted to see how they would end up financially before making a definite decision. They still need to wire all the pump houses. He wondered how the homeowners would respond to building something like that. Mr. Anderson stated that the Water Company has a responsibility to the shareholders to run an operation. He did not believe the Water Company has ever done anything excessive. They have invested in equipment that needs to be protected and it will deteriorate if left outside. He felt security was another issue with leaving the equipment sitting out.

Mr. George pointed out that in the past, plain warehousing space would cost \$50,000 to build in areas that were easier to access with better conditions. Mr. Heath asked if they have looked at steel buildings. Mr. Cylvick answered no. He clarified that he wanted a price from Cleary so he would have an idea of where to start. Mr. George felt they should take advantage of this opportunity while the money is available.

Mr. Cylvick stated that he would run a few more numbers. He personally thought the person who had designed his own shop was very reasonable and he would talk to him. He suggested that they have a building designed, put it out to bid, and compare that price, including the design, against the cost of a metal building.

MOTION: Eric Cylvick made a motion to have Tim Moss do the structural design of a stick frame, put it out to bid, and compare those bids to Cleary and to a steel building. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cragun reported that the Treasury Department requires them to do electronic transfers. He had the paperwork notarized by the bank with their signatures. He will send a copy to Carol.

The regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:17 p.m.

Minutes Approved \_\_\_\_\_

Date \_\_\_\_\_