

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, OCTOBER 9, 2014

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Cal Cragun, Kelly Cox (via telephone), Tony Tyler – Board Members

Ex Officio: Carol Steedman, Trevor Townsend

Excused: Bill George

Eric Cylvick called the meeting to order at 6:40 p.m.

Minutes

MOTION: Kelly Cox moved to APPROVE the minutes of September 18, 2104 as written. Cal Cragun seconded the motion.

VOTE: The motion passed. Tony Tyler was not present for the vote.

Unpaid Bills

Trevor Townsend reviewed the unpaid bills. Allwest Communications was for the internet. Cleary Building Corporation was for the shed. Coalville and Farm and Auto Supply was for a jack. Crandall Crushing was the rock for the retaining wall. Crawford doors was for the garage door. Horrocks Engineering was for the pipeline. KGC Associates was Carol's services. Kilgore was the chip seal for the lower canyon. Komatsu Equipment Company was the roller rental for the lower canyon project. Pine Meadow Mutual Water Company was the escrow debt reserve fund for the loan. Revenue Recovery was payment to the collection agency for collections from direct payments. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium. The Summit County Recorder was for the liens. Tak Technology was the software renewal for meter readings. Snow Shine was the trucking company that was used to water the lower canyon. Utah State Division of Finance were the loan payments. There was also a bill from the State Tax Commission for truck registration.

MOTION: Eric Cylvick made a motion to approve paying all of the unpaid bills excluding

the Cleary Building Corp. Cal Cragun seconded the motion.

VOTE: The motion passed. Tony Tyler was not present for the vote.

Trevor Townsend added two additional bills. One was CJ Reidhead, Inc. for trucking and rock in the amount of \$1,487.55. The second was for North Face Roofing in the amount of \$143.75.

MOTION: Eric Cylvick moved to pay the unpaid bills as presented, including the two additional bills submitted and excluding the bill from Clearly Building Corp. in the amount of \$17,882.00. Cal Cragun seconded the motion.

VOTE: The motion passed. Tony Tyler was not present for the vote.

Mr. Cylvick noted that Allwest should not go on the loan. Cleary Building Corp. would be reimbursed from the loan when they pay it. Mr. Cylvick asked if the bill from Coalville Auto and Farm supply should go on the loan. Mr. Townsend stated that the purchase was tools for the shop and a jack. Mr. Cylvick stated that Crandall Crushing, Crawford Doors, Horrocks Engineers, Kilgore, and Komatsu Equipment should be billed to the Division of Drinking Water.

Kelly Cox disconnected from the meeting.

Tony Tyler arrived.

Financials

The Board reviewed the profit and loss/budget versus actual. Mr. Cylvick noted that they were \$6,000 under budget for assessments.

Carol referred to line one, the water share redemption for Lot PI-C-81, and noted that it was the first one that actually paid the 110% redemption. It was the Aiken property that was sold. Carol clarified that it was the lot without the meter but both lots were in foreclosure. The Water Company received \$700 from the redemption. Carol believed the Water Company could expect a few more water share redemptions.

MOTION: Eric Cylvick moved to APPROVE the profit and loss/budget versus actual dated October 9, 2014. Cal Cragun seconded the motion

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Carol had listed all of the properties in foreclosure, minus the one that had paid.

MOTION: Eric Cylvick moved to APPROVE the balance sheet dated October 9, 2014. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

Carol reviewed a sheet showing where they started in 2014 with the balance and funds for the Division of Drinking Water. They started with \$821,000 and currently they were at \$685,000. The next group of information was everything that was yet to be paid. Carol noted that everything in the first grouping had already been approved. The rest were contracts that were still in process, as well as everything else that has come through. She would do a Division of Drinking Water draw in the amount of \$181,000, which was the amount minus the bill from Cleary Building Corp.

Carol stated that Pine Meadow Ranch was tagged on that side and it was supposed to be funds coming in from the Water Company to help pay the cost of gravel. Mr. Tyler thought the Water Company was not paying for the gravel. Mr. Cylvick agreed. Mr. Cylvick questioned how the \$12,000 was included in the detail. Carol replied that it was earmarked on the Ranch side. Mr. Cylvick asked Carol to hold off payment until they could clarify the issue. Mr. Tyler was certain that the HOA was not counting on receiving \$12,000 from the Water Company. He clarified that the projects approved by the Owner's Association Board came out of the HOA funds.

Mr. Tyler commented on the upper section of Pine Meadow Drive from Navaho to the S turns where the water line was replaced last year. He noted that the Water Company added road material after the line was replaced, but now that section is sinking. Mr. Tyler did not believe it was a Water Company project and he would not ask them to repair it; however, if the Water Company was looking for a place to spend some money he would recommend that section of road.

Mr. Cylvick stated that if there was money left on the loan it would be used for a new

pump house at the 500,000 gallon tank. The existing pump house can only pump 40 gallons a minute to the top of the 200,000 gallon tank. If a fire occurred on the other side they would be able to pump 100+ gallons up to the 200,000 gallon tank and back to the 500,000 gallon tank now that they are connected to Mountain Regional. Mr. Tyler recommended additional storage if there was money left after the pump house.

Mr. Cylvick suggested that they contact Dave Dillman and begin the engineering work on the pump house.

Mr. Cylvick asked about the line on Bull Moose that keeps freezing. Trevor believed the problem was the vault. The vault is not heated and they do not need it. Mr. Tyler suggested that they tear out the vault and fill it up with dirt to see if it would resolve the freezing problem. Trevor thought they could leave the vault in and fill it up with dirt. Mr. Cylvick asked Trevor to speak with Brody to see if they had time to work on it this year.

2015 Budget

Carol had prepared a budget for 2015 projecting \$20,000 under the revenue collected in 2014. She had tweaked some of the numbers but the budget was primarily the same as last year.

Mr. Cylvick asked about the difference shown in the far right column. Carol explained that it was the difference between what was budgeted for 2014 versus the actual.

The Board discussed the cost of water shares and purchasing water from Mountain Regional. Mr. Cylvick pointed out that currently they do not need water from Mountain Regional; however, when they do need it in five or ten years he believed they would need to annex into the Mountain Regional system. He remarked that if they did annex in a property owner and hooked them up through Pine Meadow Mutual Water, the Water Company would get 50% of the infrastructure fee. For example, if Mountain Regional collected a \$20,000 infrastructure fee, Pine Meadow Mutual Water Company would receive \$10,000 to pay down on their debt.

Mr. Cylvick liked the budget Carol had prepared. The Board approved the budget to be presented to the members at the Annual meeting in November.

Trevor Townsend left the meeting.

Pine Meadow Mutual Water Company
Monthly Board Meeting
October 9, 2014
Page 5

The Board discussed raises for Brody and Trevor. Carol stated that Brody had not received a pay increase since 2012. Trevor received a 3% increase last year. Carol provided a breakdown of Brody's salary plus health and life insurance benefits and bonus. Brody and Trevor also receive a \$509 per month car allowance. Carol provided a breakdown of Trevor's salary plus health and life insurance benefits and bonus.

Mr. Cylvick suggested a 5% pay increase for both Brody and Trevor.

MOTION: Eric Cylvick moved to give Brody Blonquist and Trevor Townsend a 5% pay increase and to keep their bonuses the same as last year. Cal Cragun seconded the motion.

VOTE: The motion passed unanimously.

Carol noted that a 5% increase in salaries would affect the budget. Mr. Cylvick asked Carol to adjust the budget accordingly.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:40 p.m.

Minutes Approved

Date