

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 10, 2017

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Bill George, Steve Anderson - Board Members.

Ex Officio: Brody Blonquist

Excused: Tony Tyler, Duane Yamashiro, Cal Cragun

President Eric Cylvick called the meeting to order at 6:32 p.m.

Approval of Minutes

MOTION: Eric Cylvick moved to APPROVE the minutes of July 12, 2017 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Apco Inc. was for telemetry work that was done at Tollgate Well. Chem-Tech Ford was for testing the water samples. ID Electric was to replace the solenoid valve at Tollgate Well. KGC Associates were Carol's services. Mountainland Supply showed a credit for returned items and the purchase of solenoid valve and other parts. Evco House of Hose was still showing a credit. KGC Associates were Carol's services. Pine Meadow Mutual Water Company was the debt reserve escrow for the loan. Rocky Mountain power was the monthly power bill. Select Health was the health insurance premium. Summit County Public Health was for three months of water samples. Utah State Division of Finance was for both loans. Utah State Tax Commission was to license the utility trailer, the GMC and the other trailer.

Brody submitted a bill from Armstrong Drilling. He explained that they pulled Uncle

Tom's Well and upgraded it so it is now on a VFD drive. It was lowered down, put on a VFD drive and installed a transducer so the well will pump as much water as possible. The total amount of the work was \$26,814.

Mr. Anderson asked how much water Uncle Tom's will pump. Brody stated that they were initially getting 16 gallons per minute because of the type of pump that was put in and how the pump was set. Currently it produces on average 22-23 gallons per minute. Brody remarked that all of the aquifers were low. The aquifers typically refill in the winter. He explained that the highest production when the well was test-pumped ten years ago it was tested at 35-gallons per minute. When they tried to go higher than 35 gallons per minute it would not sustain. Brody hoped the lower production was due to the aquifers being low and once they come up the production will be back up. He noted that the well was drilled to 10,000 feet, but the pump is only set at 700 feet. The overall depth of the well is 850 feet. Brody stated that the section down in the water is PVC so it will not rot. The other section is galvanized pipe. They installed a new pump and motor, and all new wiring.

MOTION: Eric Cylvick made a motion to Approve the Armstrong Drilling bill in the amount of \$26,814, and the remaining unpaid bills as presented dated August 10, 2017 in the amount of \$38,143.73. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Mr. George asked if the current flow justifies the upgrades that were made to the well. Brody thought it did because the monitored flow went from 16 gallons per minute to 22 gallons per minute, with the potential to go higher.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick pointed out that they were down approximately \$23,000 on the total water assessment; however, many people pay in installments on credit cards. Mr. Cylvick noted that they were \$71,000 over budgeted revenue for water connection fees because of the number of cabins being built this year.

Mr. Anderson asked if the Building Repairs were for the pump houses. Brody stated that he noticed the amount as well and he needed to ask Carol what was included in that line item. He believed that when they purchase items from Home Depot Carol puts the expense under Building Repairs. He would talk to Carol about the allocation. Brody

explained that when he makes a purchase from Home Depot he writes in the job or project.

Brody and Mr. Cylvick commented on how detailed Carol keeps the books. Brody noted that when Carol and Eric do the budget Carol is able to click on each line item and see exactly what the bill was and why it was allocated to that specific line item. Mr. Anderson thought it would be interesting to have it broken down by each source. Brody did not believe it was currently broken down by source and he would ask Carol if that was possible. Mr. Cylvick thought each source could be a subcategory under maintenance repairs. Mr. Cylvick stated that he would contact Carol to talk about the subcategories.

MOTION: Eric Cylvick made a motion to Approve the Profit and Loss/Budget versus Actual dated August 10, 2017. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet. Mr. Anderson asked if the vehicles and equipment were in good condition. Brody replied that the Water Company has good equipment, and he and Trevor do most of the maintenance and service themselves.

Brody noted that a potential buyer wants to purchase some of the Water Company property but they are in a designated source protection and cannot be sold.

MOTION: Eric Cylvick moved to Approve the Balance Sheet dated August 10, 2017. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody asked if the Board had additional questions on the project at Uncle Tom's that he reported on during the unpaid bills. There were no additional questions. Brody stated that after the pump was installed and the well was running they noticed that hardly any water was running through the switchback on top. He explained that Uncle Tom's pumps up to switchback and then switchback moves it to the 500,000 tank. He hired a pump person to put in a new stack kit in the pump, but when they turned the pump back on it still did not move the water. Brody stated that they pulled up the old pump curves from the 1980s and the pump that was there was set at a tolerance of 2 psi. He

explained that a loss of 2 psi on the suction side or the discharge side, the pump will not move any water. Brody remarked that it is a pump line and a feed line and anyone who was tied to that line was losing that 2 psi every time they showered, flushed a toilet, etc., and the pump was not pumping water because it did not have the suction pressure and the discharge pressure.

Brody stated that a new pump in that pump house that has a 200 psi variance now will pump any amount of water that gets to it unless there is a major line break. He has spoken with Mr. Cylvick and he authorized Brody to make the change at switchback so they will get any amount of water regardless of the psi change. Brody remarked that the new pumps are more efficient and the parts are more available. He made the decision to put in the new pump and it is set up and ready to go. Brody had saved a meter that was taken out of one of the old pump houses. They put that meter at Uncle Tom's and tied it to the telemetry system so they will know how many gallons per minute are pumping. He had another meter that he put in at switchback and tied it to the telemetry screen. Brody stated that they were trying to bring everything full circle, which is something they have wanted to do for a long time. The Tollgate side was done because the funds were available. Uncle Tom was previously put on the back burner because it was running. However, as there are more people on the Ranch and more water usage, they are beginning to see the problems with the water system. Brody reported that from November 10th to August 1st, the meter usage was 4.5 million gallons. That does not include the ten additional lots at Stagecoach. Brody stated that it was usage from Pine Meadow source wells only. He noted that they had to use water from Mountain Regional when they had the problem with Uncle Toms. He also believed they had broke even with Mountain Regional for water usage.

Mr. Cylvick pointed out that five years ago the usage was 3.5 million gallons in 12 months. The current usage is 4.5 million in nine months. Mr. Anderson calculated the average at 130 gallons per minute. He asked if they were producing that much water. Mr. Cylvick stated that he used 30 gallons per minute in his calculation, and in reality they can pump 22 million gallons per year, including the duty cycles. Brody pointed out that 500,000 gallons does not include leaks. Mr. Cylvick remarked that the amount was strictly indoor usage.

Mr. Anderson asked how much water they lose with breaks. Brody noted that up until now it was difficult to know. He has it set up now so they can compare how much is pumped, how much is consumed, and the difference.

Brody stated that he had spoken with Carol about two rentals, and based on the

readings one rental used 18,000 gallons and the other rental used 14,000 gallons in one month. Other factors and additional people contribute to the water usage.

Mr. Cylvick asked if all the sources have a meter that records how much water is being pumped from that source. Brody replied that all the sources have a meter. Mr. Anderson asked if every user has a meter. Brody answered yes. Mr. Cylvick asked if all the meters at every source was tied into the telemetry. Brody replied that the meters were tied to the telemetry. However, he still needed to have the telemetry person set up trending pages so every month they will get a breakdown of how much each source pumped for the month. Mr. Anderson asked if the use meters are read automatically through the telemetric system. Brody replied that he and Trevor have to drive around and read the digital meters. Mr. Cylvick pointed out that they use handheld readers and they can read the meters from their vehicle. Mr. Anderson was interested in seeing the differential between the production and the usage. He suggested that Brody report that information in the manager's report each month.

Brody reported on a leak on Pine Meadow drive that he and Trevor cannot find. They have it isolated down to a section and he will use the listener tomorrow to try and find it. He was unsure how large the leak was, but it is not servicing. They can hear it going through the PRV. Every meter was shut off on that road and the PRV was not pressuring up and surfacing anywhere.

Brody stated that he has more people interested in putting in the new water meters this year. He hoped to have those installed before October 15th. He has set October 15th as the deadline for meter installs this year.

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

Minutes Approved

Pine Meadow Mutual Water Company
Monthly Board Meeting
August 10, 2017
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Date