

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

WEDNESDAY, JULY 12, 2017

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Bill George, Duane Yamashiro – Board Members. Tom LeCheminant – HOA representative

Ex-Officio: Brody Blonquist

Excused: Cal Cragun, Steve Anderson

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

Approval of Minutes

MOTION: Eric Cylvick moved to APPROVE the Minutes of May 11, 2017 as written. Bill George seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody Blonquist reported that a leak was repaired on Pine Meadow Drive. He and Trevor installed meters for people who needed new meter installs.

Brody stated that over the last two weeks they noticed that they were not able to keep up with the water. Breaking it down from June to July, they found that in that one-month period the metered water was 753,000 gallons. That did not include the nine lots in Stagecoach. He would not get those readings until the first of next week. Brody pointed out that on average, including the Stagecoach lots, they were looking at approximately 780,000 gallons. He and Trevor had checked and double-checked everything on the Water Company's side and found no leaks at all. Brody pointed out that it did not mean there was not a leak. Four or five years ago there was a leak on Pine Meadows Drive that they were never able to find and it ran for three months. Brody stated that Mountain Regional filled the tanks last night, but unfortunately based on their pump hours, they can only do on-peak and off-peak hours. Unless it is an emergency, the pump at Stagecoach has to be filled off peak. The scaling was off on Mountain Regional's telemetry and it only filled the tank to 17.8 feet instead of 18 feet. He anticipated being at 18 feet within the next couple of hours. Brody explained that he would let all of the Water Company's pumps shut

off and see what happens through the night to determine whether it they are losing water at night or if it is caused from steep usage during the day. Brody commented on the drop in production on each well. He noted that they were seeing a lot more water usage. From January to July 5th, 3.66 million gallons has run through customer meters. That did not include the nine lots at Stagecoach. He noted that 6.2 million gallons was the entire usage for a complete year least year.

Duane Yamashiro asked if there were considerably more full-time residents this year. Brody did not believe there were that many new full-time residents. There a few rental cabins and in one month they use 12,000 gallons. Other times those cabins use 1,000 per day for a week at a time.

Mr. Cylvick asked about Uncle Tom's well. Brody replied that there was not a meter on Uncle Tom's so they were unable to know if that production was also reduced. They still run the same 45 minute cycles on Uncle Tom's and at this point it appears to be unchanged at approximately 30 gallons per minute. Mr. Cylvick added the gallons per minute production from all the wells combined, which totaled 54 gallons per minute. In that case, they should be able to pump 78,000 gallons per day. He wanted to know if they were having trouble keeping up just on weekends or throughout the week. Brody replied that it has been every day for the last two weeks. He reiterated that he and Trevor have been unable to find a water leak anywhere in the system. Mr. Cylvick asked if there could be a leak on the Stagecoach side. Brody answered yes, but he would not know until they read their meters. Mr. Cylvick asked how many days were set up for 780,000 gallons. Brody stated 35 days.

Brody stated that last year the pumps were not set up right. When the pump was set up at Bobcat, he had the same people correctly set the other pumps. He noted that they are now in a cycle where the pumps are off for an hour and back on for half an hour. They were still getting the same gallon per minute, but the pumps are off for an hour at a time.

Mr. Cylvick calculated that 16 gallons per minute from Lower Tollgate; 30 gallons per minutes from Uncle Tom's, four gallons per minute from Contact; and four gallons per minute from Upper Tollgate resulted in 78,000 gallons per day at 50% duty cycle. They should be pumping 39,000 gallons per day. Based on his calculations they should have 22,200 gallons per day, and he thought that was enough to be able to keep up with the demand. Brody agreed, which is why he did not know where the water was going.

Brody intended to let the pumps shut off and see what happens during the night. It was the only way to know exactly how much water they were losing. If they find out there is a leak, he and Trevor will work in shifts. He would do the night shift and shut a line off at 11:00

p.m. He would stay on the Ranch and turn the line on at 4:00 a.m. Trevor would take the day shift and do the same. It was a method of isolating lines to find the area if there is a leak. One of the first options would be to shut off Stagecoach until they know what is happening there. Mr. Cylvick thought the Stagecoach lots were metered. He asked how they were keeping track of the water. Brody replied that it was based off the meters at Stagecoach. He explained that the water is metered if Pine Meadow fills their tank and vice-versa. The rest of the water is calculated through the lot meters. Brody stated that they would probably shut off A-Plat when they shut off Stagecoach. They needed four nights to shut off the entire Ranch in sections.

Mr. Cylvick pointed out that it was an 18,000-gallon difference per day, and a leak seemed to be the only logical answer. Brody noted that Stagecoach allows outside watering; and Pine Meadow Water cannot place that restriction even though they supply water. He was unsure whether those nine lots were watering grass and outside plants. Brody remarked that the 780,000 could change quickly. Stagecoach used 165,000 in three months last year during the summer. He had only calculated the number as an average.

Brody reported that he and Trevor discovered two irrigation systems. The property owners were told twice that they needed to disconnect their irrigation systems. He was waiting for Carol to provide the documentation on when and how they were contacted. Brody noted that he had spoken with both property owners face to face twice to explain the situation. They disconnected it and then reconnected after Brody had left. Brody had spoken with Mr. Cylvick about this matter and told him that he would like to see outside sprinkler heads and sprinkler boxes dug up and the sprinkler lines dug up and capped. Brody pointed out that these people were in direct violation of the rules and regulations. He has had some resistance from people who think that because they are allotted 20,000 gallons a year, the Water Company should not have a say in how they use it. Brody explained that if someone uses 1200 gallons per day to water their lawn and the Water Company cannot keep up with the general daily usage for the rest of the Ranch, that 1200 gallons would go a long way to provide for their customers. Brody thought it was irresponsible for people to think that they can use 20,000 gallons however they want when the bylaws specifically state for "indoor use only". Brody noted that one cabin with a sprinkler system used 10,000 gallons in one month from June to July. Their typical use is approximately 1,000 gallons per month.

Mr. Cylvick stated that he had asked Brody to find out when the property owners were contacted and to make sure the meetings and warnings are documented. Brody should contact them one more time, and depending on the response, they could look at locking the meter. That would give the Water Company additional time to decide the next step. At that point, if the property owners choose to come in, the Board could talk with them and

discuss what needs to be done to unlock their meter.

Brody stated that he would probably start isolating the lines to find the leak on Monday. He was not comfortable doing it on a weekend when that is the only time some people come up to their cabins.

Brody reported that two cabins were being built on Lot A3 and A4 on High Dry Circle. He and Trevor met with the Public Health Department and apparently there is not enough room on Lot A3 to put in the septic system and they were trying to find a way to do it. The owner wanted an easement from the Water Company to lay his septic tank in the water easement on the side of the road. Brody told him no because he did not want the potential for black water to trickle into the water system. He wanted to alert the Board members in case they were contacted.

Unpaid Bills

Brody reviewed the unpaid bills. Allwest and Catapulsion were for the Internet. Evco House of Hose was still showing a credit, although they had used some of the credit to purchase a pump hose. Ferguson Enterprise was for a meter list for the new meter installs. KGC Associates was Carol's services. Meter Works was for the new meters. Mountainland Supplies was parts for the new meter install. Pine Meadow Mutual Water Company was the escrow for the loans. Rocky Mountain Power was the monthly power bill. Select Health was for health insurance premiums. Suburban Propane in the amount of \$96.17 was the cost to have them remove the tank because Brody had switched propane companies. Division of Finance were for the two loan payments. Verizon wireless was for cellphones.

MOTION: Eric Cylvick made a motion to Approve the unpaid bills as of July 12, 2017. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick noted that they were exceeding the revenue budget. He stated that the legal fees related to MOU dealings with Mountain Regional.

MOTION: Eric Cylvick moved to Approve the Profit and Loss/Budget versus Actual dated

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July 12, 2017. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet. Mr. Cylvick noted that they had nearly \$100,000 more in the bank account compared to last year. They still owe approximately \$5,398,300 on the DDW loan.

MOTION: Eric Cylvick moved to APPROVE the Balance Sheet per year comparison as of July 12, 2017. Bill George seconded the motion.

VOTE: The motion passed unanimously.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:00 p.m.

Minutes Approved

Date