

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, MAY 10, 2018

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Steve Anderson, Tom LeCheminant - Board Members. Tom LeCheminant – HOA representative

Ex-Officio: Trevor Townsend

Excused: Scott Smith and Duane Yamashiro.

Eric Cylvick called the meeting to order at 6:50 p.m.

Approval of Minutes

MOTION: Eric Cylvick moved to APPROVE the Minutes of April 19, 2018 as written. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Trevor reviewed the unpaid bills. BJ Reese's Enterprise was for a manhole lid that was made for Tollgate PRV. Delco Western was for a pilot ordered for that same PRV. Ferguson Enterprises was additional parts ordered for the same PRV. Horrocks Engineering was the update of all the maps with hydrant locations, etc. Immersion Development Consulting was the website company. KGC Associates was for Carol's Services. Rocky Mountain Power was the monthly power bill. Select Health were health insurance premiums.

MOTION: Eric Cylvick made a motion to Approve the unpaid bills dated May 10, 2018 in the amount of \$14,333.73. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual.

MOTION: Eric Cylvick moved to Approve the Profit and Loss/Budget versus Actual dated May 10, 2018. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick commented on the need to eventually raise rates so they can be prepared to cover their expenses in the event of a downturn, as well as expected inflation with power bills and other items. They also needed to look at funding the Restricted Fund balance that was created for purchasing water from Mountain Regional if it ever becomes necessary. That amount should be factored into increased rates. Mr. Cylvick pointed out that they should not continue to count on annexation fees and water hookup fees. He thought they should calculate how much the rates would need to be increased in order to cover all of their costs and have some money left over, without having any annexation or connection fee income.

Mr. Cylvick thought they needed to look at all the capital reserve funds, eliminating all annexations, and save \$25,000 per year. He noted that it was important to build up the capital reserve fund in case they ever need another loan. He suggested that they meet with Carol and add up all of the repair and maintenance costs, and analyze what they have spent over the last 20 years. Mr. Anderson pointed out that at some point they will have to replace every booster pump and telemetry system in the next 20 years. Trevor agreed that they would have to start spending more to maintain the system.

Mr. Cylvick emphasized the need to raise rates at some point in the next couple of years to avoid the situation of not having money when repairs are needed.

MOTION: Steve Anderson moved to APPROVE the Balance Sheet dated May 10, 2018. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Trevor reported that everything was working well. He and Brody had fixed the leak on switchback. They were losing 26 gallons per minute out of the 500,000 tank, and it went down to 4.4 through the night. The pumps were off for 75 hours in this last cycle. He could not recall the last time it was that low at night. The 200,000 gallon tanks are great. They have been steady at 1.8 to 2 gallons per minute for a year since everything was fixed. Mr. Cylvick asked Trevor to track as much information as possible in terms

of how long the pumps are on and off during the week, at night, and on the weekends. It did not have to be daily, but it would be helpful to have a weekly average as water usage expands on the Ranch.

Trevor reported that they finally got the parts to fix the PRV on Tollgate and the pressures were lowered yesterday. It was set back to 75 psi on top of the hill. Yesterday they lost the power supply on the SCADA down to the switchbacks so they were not able to get a reading. They were able to replace it yesterday.

Trevor reported that he and Brody would start on a number of meter installs next week.

Mr. Cylvick stated that he had not heard back from the property owner near Stagecoach who had inquired about an annexation. Mr. Cylvick noted that he had expressed a willingness to provide the property owner a free annexation in the future, which would get recorded; and he could annex the other lot for the normal annexation fee at the time. The owner wanted the Water Company to tear down the fence and Mr. Cylvick had told him that it was an issue between him and Fred Bacon and the Water Company would not be involved in that dispute. Mr. Cylvick reminded the Board that obtaining an easement was the trade-off for the free annexation.

Mr. Anderson wanted to know who was paying the taxes. He was concerned that if no one was paying taxes the property could be sold in a tax sale. Mr. Cylvick assumed that Mr. Bacon and the other property owner were both paying taxes.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:27 p.m.

Minutes Approved

Date