

Approved
August 9, 2018,
as written

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JULY 12, 2018

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Scott Smith, Duane Yamashiro, Tom LeCheminant – Board Members.

Ex-Officio: Brody Blonquist, Trevor Townsend

Excused: Steve Anderson

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

Approval of Minutes

MOTION: Eric Cylvick moved to APPROVE the Minutes of June 14, 2018 as written. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody reviewed the unpaid bills. Ferguson Enterprise was for meter parts. He was unsure of the details on the invoice for Horrocks Engineers. Meter Works and Mountainland Supply were for meter installs. Pine Meadow Mutual Water Company was the escrow account for the loans. Rocky Mountain Power was the monthly power bill. Select Health was the health insurance premium. USA Bluebook was the new pressure transducer that he ordered to replace the first one that was ordered but did not work. Brody reported that USA Blue Book gave them credit on the first one. White's Auto Parts were parts for the truck. Utah State Division of Finance was for the two DDW loans.

MOTION: Eric Cylvick made a motion to Approve the unpaid bills dated July 11, 2018. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Brody noted that the Board could either keep the credit with USA Blue Book or request a check for the credit amount. Brody suggested that they keep it as a credit until after the busy season. If they do not use the credit by November, they could request a check at that

time.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick noted that they were down approximately \$20,000 on the 2018 metered water assessment. They were also down \$20,000 on the standby assessment. He assumed it was due to the number of people who are on a payment plan. Mr. Cylvick remarked that they were 18% over budget on office supplies.

Mr. Cylvick thought the Board needed to talk about other ways to raise money, because they should not be using annexation fees and other income sources to operate the system. He suggested that they re-evaluate the rates, and noted that they have not raised metered or standby rates for a long time. Mr. Cylvick remarked that they should be able to cover operational expenses strictly from standby and metered water assessments. There should also be additional funding within the meter and standby assessments to cover the capital reserve funds. Mr. Cylvick believed they should be saving \$10,000 more a year towards the \$300,000 to buy water from Mountain Regional. His preference would be to put annexation and water connections fees into an escrow account for large projects.

MOTION: Eric Cylvick moved to Approve the Profit and Loss/Budget versus Actual dated July 11, 2018. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Cylvick noted that they had less cash than this time last year, and he assumed it was due to the truck and trailer purchase.

Mr. Cylvick questioned why the Mountain Regional Water Source Capital Reserve was less than last year. He asked Carol to call him with an explanation.

MOTION: Eric Cylvick moved to APPROVE the Balance Sheet dated July 12, 2018. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Miscellaneous

Brody stated that he and Carol had reviewed the option proposals for Dave Nichols, and Brody believed the ones Carol included in the packet were fair. Trevor noted that Dave

Nichols was already grandfathered into the water company, but he needed a meter. Mr. Cylvick asked if Mr. Nichols had paid for the annexation and was considered a shareholder. Brody was unsure. It was annexed many years ago and there was no record to show how it was accomplished. Brody recommended charging a standby fee for the previous years from when he took ownership, because there had to have been a meter at some point. Mr. Cylvick asked if the water to the pond was done by Leon Gale. Brody answered yes. Trevor pointed out that it went from Leon Gale to McAllister and now to Mr. Nichols.

Mr. Cylvick had concerns with Option #4. Brody thought it was fair for Mr. Nichols to pay the standby fees. There was water to the lot previously until the Water Company pulled out the meter for non-payment. Brody was comfortable with any of the options. However, with all of them they needed to add a requirement for a property inspection by the Water Company before the meter can be installed. Mr. Cylvick clarified that they needed to add the inspection and the costs associated with making sure there is no cross-connection.

Brody explained that he and Trevor would need to inspect the lot to see how the well goes into the house, how it was hooked up, and the plans for connecting to the water system instead of the well; and to make sure there are no cross connection issues.

MOTION: Eric Cylvick made a motion to Approve Option #4 for Dave Nichols, which includes waiving the full annexation fee; signing all the paperwork for annexation in the Water Company; joining the HOA; filling out the application for water; paying for a new meter setter at \$500; to pay a standby fee for every year since owed at \$616 per year or \$4,928; start paying the current meter assessment of \$832, plus usage for 2018; The total due for water of \$6,060; to have the property inspected by Brody and Trevor; and for Mr. Nichols to pay any costs associated with the hookup and insuring there is no cross-connection. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

Excess Water Use

Carol had provided a list June usage. Brody noted that it was only a list of lots that went from basically using no water at all to significantly high usage. Mr. Cylvick thought the Board needed to stand firm on no external use of water. Brody had read through the bylaws and found that in order to shut someone off for non-compliance, the Water Company is required to give 30-day notice. He and Trevor talked about drafting a letter for offending property owners stating that the Water Company is aware of their landscaping and a sprinkler or irrigation system, and that they need to contact the Water Company within 30 days. Brody no longer felt comfortable going door to door to

Speak face to face about the violations. He preferred to send letters to people that they know have sprinkler systems.

Mr. Smith suggested that in the letter they advise people of the option to collect water off the roof and store it. Brody stated that the property owner will have 30 days to contact the Water Company from receipt of the letter. Once they are contacted they will meet with the property owner to discuss the violations and make sure it is corrected. He and Trevor could advise them of other options at that time. Brody stated that if they send out letters next Monday or Tuesday, the 30-day period would allow a property owner to come to the next Board meeting if they choose. The Bylaws indicate that an owner can come to the Board and appeal their case.

Mr. Cylvick thought the letter should explain that the State allows an owner to contain 2500 gallons of water in a tank as a possible solution if they want to continue to water their landscape or garden; but they cannot use water from the existing water system. The letter should also explain that the Water Company is required by the State of Utah to operate under reduced requirements, and they are prohibited by the State of Utah to allow any external use of water. The letter should be clear that if the owner does not comply within 30 days the water meter would be locked.

Mr. Cylvick requested a list of the offenders and the nature of what they were watering. For example, whether it was someone dripping water onto a few plants, or someone watering full landscaping and trees.

Manager's Report

Brody and Trevor had nothing new to report. Everything was running well.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:03 p.m.

Minutes Approved

Date