

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, FEBRUARY 21, 2019

SUMMIT COUNTY, UTAH

Board Members in Attendance: Steve Anderson, Scott Smith, Tom LeCheminant – Board Members.

Ex-Officio: Trevor Townsend

Excused: Duane Yamashiro; Eric Cylvick

Guests: Joe, representing Julie Gines, Lot FM-C-67; Tim Williams and Amber Martinez, Lot PI-D-53; Andrew Pagel, Lot PI-A4

Eric Cylvick called the meeting to order at 6:34 p.m.

Minutes

MOTION: Tom LeCheminant moved to APPROVE the regular Minutes of January 10, 2018 as written. Scott Smith seconded the motion.

VOTE: The motion passed. Steve Anderson abstained from the vote since he was not present for the January meeting.

Open Visitor Forum

Trevor noted that information from lot owners requesting one-time reductions were in the back of the packet for this meeting.

Joe Daily, stated that he and Julie Gines, Lot FM-C-67, were married last November and they moved out of her house the first of March. Once the snow melted they started to get the house ready for sale. He noted that in August they received a post card stating that 47,000 gallons of water went through their meter in July. Joe handed out a summary and noted that the last page showed where all the water went. He is a defense contractor and he was in Europe, Japan and Korea when the usage occurred. No one was living in the home but they did have a painting crew working on the house. The same painting crew was there from the end of May to the end of July. In looking at the times of the meter readouts, massive quantities of water would run and then it would shut off. The readings did not indicate a constant or intermittent leak. It was more like a high volume of water would go and then stop. The timing was around the Fourth of

July and again the 24th of July, and many times it was very late at night. The water was left on because of the paint crew, and he speculated that someone would have both water taps going at the same time.

Mr. Daily stated that as soon as he received the postcard he, Brody, and Trevor checked for leaks but found nothing. He turned the water off at the street and in the house and put a wire across the front of the driveway with a no trespassing sign. Since that was done there has basically been little or no water use. Mr. Daily asked the Board for a one-time reduction for the excessive amount of water that was billed.

Mr. Anderson asked how someone would have taken the water. Joe replied that there are two outside spigots within reach of the driveway. Mr. Smith asked if the Water Company was alerted by some type of alarm. Trevor stated that when they read the meter it showed high usage. Mr. Smith asked why the alarm did not go off. Trevor stated that they only get an alarm when they are physically reading the meter and it is running. When they read the meter on this property the owner was not on the leak list but it showed a heavy user. When Carol gets the meter readings she flags the heavy users. If she detects something out of the ordinary she sends the owner a postcard.

Trevor stated that he and Brody pulled the data log on that meter, which gives the exact number of gallons that went through the meter right down to the minute. Mr. Smith asked if an alarm would sound if a meter continually runs for 24-48 hours. Mr. LeCheminant understood that if there is a constant run or drip, they get a drip alert on the meter. The Water Company is not alerted until they read the meter.

Mr. Daily stated that his meter shuts off for a couple of hours after massive amounts of water run through it for a couple of hours. That basically occurred around the 4th of July and 24th of July. Mr. Anderson asked if there had been any problems since the chain was put up across the driveway. Mr. Daily answered no. He pointed out that this problem had never happened in the past. He noted that the house was ready to put up for sale as soon as the weather is better.

Mr. Anderson stated that the Board grants a one-time reduction on the amount of usage billed. Carol uses a set formula to calculate the reduction amount. Mr. LeCheminant was comfortable granting the one-time reduction. However, he suggested that Brody and Trevor take a meter reading when no one is using the house to make sure there are no leaks before they sell the house. Trevor explained that they had already done those checks and no leaks were found. Mr. Anderson thought the volumes would suggest that a hose was left on for 24 hours. Trevor suggested that the painters might have left the water on overnight after cleaning their brushes. Mr. LeCheminant asked if the painters had pressured washed the house before painting. Joe stated that the house

was pressure washed but not in that time frame.

MOTION: Steve Anderson moved to grant a one-time reduction for Lot FM-C-67. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Trevor noted that Carol would see in the Minutes that the Board voted to grant the one-time reduction. She would calculate the reduced amount and send another bill.

Referred to another letter in the back of the packet from Susan Purcell and Wendell Whitehouse, Lot PI-C-37, requesting a one-time reduction. The owners had a leak and after it was fixed by a plumber it started leaking again and they had to call the plumber for a second time. The owner had receipts from the plumber. Trevor believed this situation met all the criteria for a one-time reduction. He noted that the owners have only been on the Ranch for a year or less and they have never requested a reduction.

MOTION: Steve Anderson moved to grant a one-time reduction for Susan Purcell and Wendell Whitehouse, Lot PI-C-37. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Tim Williams and Amber Martinez, Lot PI-D-53, stated that they are full-time residents and they own a cabin at 1262 Elk Road and 2200 River Birch. She asked if they have overages whether they could take it out of the water they were paying for on their second lot. Ms. Martinez remarked that the meter on Elk Road has used in the past 199 gallons, which is the total from the previous owners and what they have used. They try their best to conserve water at their home and they never water outside. Ms. Martinez felt that having to pay overages in addition to the 40,000 gallons they already pay for was astronomical.

Mr. Anderson understood that Ms. Martinez was asking to combine the bills for the volume of water used for each lot. Mr. Williams pointed out that they were only asking to borrow water from the second lot whenever they exceed the initial 20,000 gallons, which is not every month. Mr. Anderson stated that meeting their request would require a change in the Bylaws. The Board could take it under consideration, but they were not able to grant that request any time soon. Mr. Anderson explained that the Bylaws are written such that each lot is its own entity, and the owners pay a water assessment on each lot individually. He could not recall if anyone had made that request in the past, but it would require changing the Bylaws before the Board could

approve it.

Mr. Anderson stated that personally he would be against combining the base fee because the base fee per lot served pays for the water system. However, he understood that Ms. Martinez was only talking about borrowing water from one lot to cover an overage on the other lot. Mr. Anderson offered to take it under advisement and he would speak with Eric Cylvick and the other Board members on the matter.

On another issues, Ms. Martinez did not think it was right to bill for 2018 water usage at the 2019 rate, and she believed it was illegal. Mr. Smith stated that he was new to the Board but he has lived on the Ranch since 2000. He believed those who were on the Board at the time had done a tremendous job on the water system and he thought that needed to be respected. Ms. Martinez agreed and stated that she was not opposed to the rate increase that was voted on for 2019.

Mr. Smith understood that billing the current year usage at the new rate has been a consistent policy, and based on another conversation, Eric Cylvick was working with the attorney on whether the Water Company could or could not continue that policy. Mr. Smith understood the point Ms. Martinez was making; however, he did not think it was fair to imply that the Water Board was trying to rip off the property owners. He stated that Brody and Trevor do a great job running the water system and he thought it was important to allow Mr. Cylvick and the attorney time to sort out the current policy.

Mr. Anderson stated that Ms. Martinez's point was well taken and it made sense, but they needed to wait for advisement from the attorney.

Andrew Pagel, Lot PI-A4, clarified that he initially raised the issue at a previous meeting. He was not trying to be argumentative, and he did not think the Board was being underhanded or malicious. Mr. Pagel understood that Mr. Cylvick had received some feedback from the attorney, Ted Barnes, and he wanted to know when they would know the outcome.

Regarding the pro-rated tiers for overages, Mr. Pagel argued that the 7,000 gallons that he used over the base 20,000 gallons should have been charged at the 2018 tier rate.

Mr. Anderson tabled further discussion on these matters until Eric Cylvick was present and they could have a full discussion. He anticipated having an opinion from the attorney for the next meeting.

Ms. Martinez thanked the Board for listening to their concerns. Mr. Anderson and the

Board explained why the rates were raised and the reasons for increasing the tier amounts for overage and excessive use.

Mr. Pagel understood that the primary purpose of the rate increase was to build a reserve fund and secondly, to address the excess water usage for nightly rentals and swimming pools. Mr. Pagel emphasized that he was not opposed to the rate increases. His issue was with the overlap of charging 2019 rates for 2018 usage.

Unpaid Bills

Trevor Townsend reviewed the unpaid bills. APCO Inc. was labor charges to adjust and reseal the transducer in the front of the 500,000 tank. Clyde Snow Sessions and Swenson were legal expenses. KGC Associates were Carol's services. The bill from Pine Meadow Ranch was reimbursement for a load of gravel. Rural Water Association was the membership fee. Select Health was the monthly health insurance premium. Summit County was for monthly water samples. USA Bluebook was still showing a credit for the transducer. Utah Division of Finance were the two loans. White Auto Parts was for tire chains.

MOTION: Tom LeCheminant moved to Approve the unpaid bills dated February 21, 2019 as presented. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. LeCheminant noted that they had already collected \$379,000 or 73% of the billed assessments. Mr. Anderson was interested in seeing the difference in numbers and he asked Carol to create something where they could see the difference between the 2018 rate overages versus the 2019 rate scale.

The Board reviewed the Balance sheet. There were no comments or questions.

MOTION: Steve Anderson moved to Approve the Profit and Loss/Budget versus Actual and the Balance Sheet dated February 2019. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Trevor reported that he and Brody have been tracking leaks. They were able to narrow down one leak in the new pipeline, but because it is on a road that is not plowed they would wait to repair it as long as they can get by without the water. Trevor stated that Mountain Regional had come up with a leak detector that they put on two hydrants and then the hydrants were charged. It gives a sound wave layout of that 500-foot section. They did not hear anything the first 1,000 feet but they were able to isolate the leak in the last 500 feet. If the device is accurate they narrowed it down to that section. Trevor noted that the water loss was approximately 6-1/2 gallons per minute. They have been able to keep both tanks full without needing Mountain Regional water.

Trevor reported that he and Brody had sleeved a fire hydrant in Forest Meadow in December as a temporary fix. They will repair it this summer.

Trevor reported that Brody would be attending the annual water conference in St. George next week. To reduce the time away, he and Brody have started alternating years instead of both attending each year.

Mr. Anderson asked if they ever run into an issue where the water is impacted by an outside source, they would need to quickly respond. He and Brody would need to notify the area residents of the issue. The Board needed to figure out the best way to spread the word. Mr. Anderson suggested devising an emergency management plan and to have it in place in case its ever needed. Mr. LeCheminant stated that Jan LeVitre, the HOA Secretary, has a list of owners who opted into putting their names on the list so they can be notified in the event of an emergency. Trevor noted that the Water Company has names and phone numbers on the meter list. Mr. LeCheminant remarked that for a nominal fee the HOA used a service that will contact everyone on the list with one message.

Mr. Anderson believed Sandy City would face significant legal issues for their contaminated water problem. He felt strongly about having an emergency response system to protect the Water Company if they ever encounter a similar problem. Trevor noted that the Water Company is required to do biological water sample testing with Summit County every month. However, testing for lead and copper is only required every three to five years. Every two years they have to test for disinfectant by-products, BPEs and all the nitrates.

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The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees
adjourned at 7:30 p.m.

Minutes Approved

Date