

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, AUGUST 8, 2019

SUMMIT COUNTY, UTAH

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

Ex-Officio: Brody Blonquist

Excused: Duane Yamashiro; Eric Cylvick.

Brody Blonquist called the meeting to order at 6:30 p.m.

**Minutes**

July 11, 2019

MOTION: Steve Anderson moved to Approve the Minutes of July 11, 2019 as written. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

**Unpaid Bills**

Brody Blonquist reviewed the unpaid bills. Clyde Snow and Sessions were legal fees. Delco Western was for meters purchased for two of the well houses. Brody noted that he previously requested three meters, but the one at the 200,000 gallon tank was delayed until they see if the new telemetry company can make it work before putting in a new meter. The 1" and 2" were installed. The 4" is on hold at Delco Western.

Brody continued with the unpaid bills. Ferguson Enterprise were parts to upgrade the system prior to the sanitary survey with the State. Hone Propane was to fill the propane tank. KGC Associates were Carol's services. Meter Works was for three 1" meters. Pine Meadow Mutual Water Company was the escrow for the two loans. Rocky Mountain Power was the power bill. Select Health were the health insurance premiums for Brody and Trevor. USA Bluebook was still showing a credit for the transducer. Utah Division of Finance were the two loans. The Utah State Tax Commission was vehicle registration. Verizon Wireless were the cell phones. Brody thought they might be able to eliminate part of the Verizon bill because the new

telemetry system does not require cell service. White Auto Parts was for anti-freeze and windshield washer fluid.

MOTION: Steve Anderson moved to pay the Unpaid Bills as presented dated August 7, 2019. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

### **Financials**

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

Brody reported on two annexations. One was close to being paid and the other was borderline. Mr. Anderson asked if the annexations would include past years. Brody believed one of them would. The other would be a straight across annexation. If the annexations occur, the Water Company will get approximately \$50,000 that was not expected.

Mr. Smith commented on the amount for credit card processing fees and suggested that the Board might want to rethink the use of credit cards. Mr. Anderson noted that some companies charge a processing fee for using credit cards to help cover the cost.

Mr. Anderson asked about the engineering overage. Brody replied that Horrocks was asked to do maps for the fire hydrants and other things. Part of the expense was for re-submitting the source protection to the State, which they had not anticipated.

MOTION: Steve Anderson moved to Approve the Profit and Loss/Budget versus Actual dated August 8, 2019. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet.

Mr. Anderson asked that Carol explain why there was only an \$80,000 difference year to year and why they have that much cash. Brody assumed it was because the rate structure was increased.

MOTION: Steve Anderson moved to Approve the Balance Sheet dated August 8, 2019. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

### **Manager's Report**

Brody reported that the water system was running well. The history trends were the best they have seen in a long time. Everything was running smoothly.

Brody stated that there was a leak on Pine Meadow Drive. They were able to shut down the line but not before losing approximately 7,000 gallons of water within an hour. The water main leak was found and repaired.

Brody reported on the Sanitary Survey with the State of Utah. The State comes up and inspects the entire water system, including the pump houses, the tanks, the connections, etc. The State found a couple of deficiencies with the water system. There was not a pressure gauge on Tollgate well or Uncle Tom's well. Since then, the pressure meters have been installed and the water system now sits at negative 9 points on an IPS for the State of Utah. At 150 points it becomes an unapproved water system. Brody noted that the best possible is a negative 10. Pine Meadow has a current emergency response plan that gives them negative 10 points. They still have negative one point for no pressure gauge on the Oil Well booster pump house. Brody did not want to shut it down now to tap it and he did not want to tap it while it was on. This winter they can shut down the line, drain it off a little, and then tap it.

Mr. Anderson asked if the connection between Pine Meadow Water and Mountain Regional required turning a valve or whether it is a free flow back and forth. Brody explained that currently it is gravity fed to the 12 lots in Stagecoach. It would be no different if they added 12 lots on the Ranch. It requires a phone call to turn the water on to flow to Pine Meadow. The reason for the phone call is that they prefer to pump during off-peak hours due to the cost of pumping. If there is an emergency, no one will care about the pumping costs and it can be pumped at any time. Mr. Anderson asked if there were check valves between systems. Brody answered no.

Mr. Anderson asked if the Church camps have their own well. Brody replied that the Church camps have a spring system. Mr. Anderson asked about the homes above the orange gate. Brody assumed they had their own individual wells.

Brody had received an email from the company regarding cellular meters that the Board wanted to try. There needs to be two people to drive around and visit every meter to figure out the cellular data connection at that point and whether it will work. Brody read the email to the Board. The original kit pricing was around \$2700; not including the cost of the lids. If

the Water Company was willing to purchase the meters and lids for a beta test, for \$800 the company would supply ten meters, 10 registers, 10 end points, 10 lids, and host it free until March 31, 2020. If after March 31, 2020 they Water Company does not believe it is a viable solution for their needs, they would ask that the product be removed from the field and returned to Hydro Specialists without any further financial commitment. If the Water Company choses to move forward, they would work out the cost of the registers and the end points on the new system.

Brody noted that Hydro Specialists was offering for the Water Company to test ten meters during the winter. He stated that winter is his biggest concern because of the snow on top of the meters. Brody remarked that Mountain Regional uses the meters up in the Colony. And the meters are used in Promontory. Brody stated that he sent the address of every homeowner on the Ranch and it was copied and pasted it into a sheet to show the coverage. When that was done, Hydro Specialists came back with a 97% success rate.

Brody explained how the meters would work. There will be an end point at the Manager's Office and an end point in Carol's Office; and the data is sent to each end point. With ten starter meters he and Carol would be the only ones who are able to see those meters. However, if the Water Company decides to keep the system, the customers will be able to see the data by logging into their own accounts.

Mr. Scott asked if the cost would be passed on to the owners. Brody stated that the total to redo the entire water system was \$137,440. They would need approximately 475 meters at \$250 per meter. There is a 10 cent per month charge per each customer to access their meter. Brody understood that Mountain Regional charges a \$3 per month surcharge to customers for that capability. However, if someone is in a dead spot and cannot access the data, they are not charged the \$3 per month surcharge. Mr. Anderson asked if there was a yearly fee on top of the \$137,400. Brody answered no; except for the ten cents per month per customer that is charged to the Water Company for the app and the programming.

Brody stated that instead of he and Trevor waiting 30 days to find out if someone has a continuous leak, they will be able to log in every morning and see what is going on. It also puts some of the responsibility on the homeowner because the owner can set up their app to send a leak alarm. Brody noted that it immediately identifies the leak and takes out the guess work.

Mr. Scott favored the system, but he thought it was important to be creative in how they charge the base to afford these meters. Mr. Scott asked if the Board had the authority

to make the decision or whether they needed shareholder approval. Brody replied that the Board could make the decision. Mr. Scott asked if they could charge everyone half the cost one year and the other half the next year. Brody understood that the \$1800 per month that has been paid into escrow goes back to the Water Company after January 1, 2020. Mr. Anderson recalled that Eric Cylvick had already figured out how to charge this capital cost. He thought they should have that conversation with Mr. Cylvick.

The Board discussed the benefits of these meters. Brody emphasized the benefit to the customers.

MOTION: Scott Smith moved to Approve spending \$800 for the test meters. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Brody did not expect to receive the meters until late October. He and Trevor would install the meters. Brody stated that if they end up replacing the meters, they could strip the old meters and recycle the brass. Last time they did that, they got more than \$35,000 for the brass.

Brody stated that if the two annexations go through and they have money remaining, he would like to purchase a smaller pickup so they could leave chains on it and drive it around during the winter. He noted that the Dodge is big and difficult to drive around in the winter. It would also save wear and tear on the truck they use every day during the summer. Brody clarified that he and Trevor have found used trucks on KSL for around \$7,000. He recalled that the Board had budgeted \$4,500 for new equipment.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:06 p.m.

---

Minutes Approved

---

Date