

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 19, 2019

SUMMIT COUNTY, UTAH

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

Ex-Officio: Trevor Townsend

Excused: Steve Anderson; Tom LeCheminant

Guests: Paul Sutor, Lots PI-G-36, 27 and 28

Brody Blonquist called the meeting to order at 6:49 p.m.

Minutes

August 8, 2019

The Board lacked a quorum of Board Members who were present at the August 8th meeting. The Minutes of August 8, 2019 were tabled to the next meeting.

Eric Cylvick announced that the Annual Meeting was scheduled for November 7, 2019 at the Kimball Junction Library, 6:30 p.m. in the large auditorium

Unpaid Bills

Trevor Townsend reviewed the unpaid bills. APCO Inc. was when Phil came up to troubleshoot some problems. Chem-Tech were the yearly samples for the nitrates and nitrides required by Summit County. Clyde Snow and Sessions were legal fees. Ferguson were parts and supplies for the meters. Hydro Specialties was the invoice to test ten meters on a trial basis. Trevor noted that the cost was supposed to be \$3500 but it was reduced to \$900 for all ten trial meters. KGC Associates was for Carol's invoice. Leavitt Group was insurance. Meters Works was to purchase a 1" meter for an owner meter installation. Mountainland Supply was to purchase meter setters. Pine Meadow Mutual Water Company was the escrow for the two loans. Select Health were the health insurance premiums for Brody and Trevor. Rocky Mountain Power was the monthly power bill. Chem-Tech were monthly water samples required by Summit County. USA Bluebook was for a valve key and lid puller. Division of Finance were the

two loans. Verizon was the phone bill.

MOTION: Eric Cylvick moved to pay the Unpaid Bills as presented dated September 19, 2019. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

Manager Report

Trevor reported that the ten demo meters from Beacon were installed. They were placed in dead spots throughout the Ranch to see whether they can get cell phone service in those areas. The idea is to be able to talk to the system through the winter to see whether the system will work in the snow. At this point, every meter was reading for 100% reporting on all ten meters. Beacon would guarantee 97% coverage. Trevor stated that the last time he and Brody drove around and read every meter on the Ranch the reading was 97%. Twelve meters did not report.

Trevor stated that he and Brody have been finishing up meter installs. They have another install on Artist Point Drive that the owner would like installed before winter. Four meter installations were done last month. Trevor and Brody planned to install two meters next week.

Mr. Cylvick stated that during the Annual Meeting the Board should make a motion to change the Rules and Regulations pending the meter contract. Trevor stated that they had the spec sheet. Mountain Regional has a spec sheet with all the bonding and the meter contract. Mountain Regional offered to let the Water Company look through theirs beforehand.

Mr. Cylvick pointed out that the homeowner will be responsible for the cost of installing the meter. Trevor noted that the licensed contractor would have the bond. The bond is added onto the cost in case someone hits a fire hydrant or causes other damage. The cost is reimbursed at the end of the project. Mr. Cylvick asked if the homeowner was also responsible for purchasing the equipment. Trevor stated that it was discussed, but he could see problems with everyone purchasing their own equipment. Even when the specifications are written down, people tend to put in what they want.

Mr. Cylvick noted that Brody and Trevor talked about selling the hammer drill and compressor the Water Company purchased a few years ago. However, Mr. Cylvick thought a better option would be to keep the equipment and rent it to the contractor. Trevor stated that they already have a potential buyer who offered approximately \$12,000 for the compressor and the drill. Mr. Cylvick was not opposed to selling the

equipment if they already have a buyer.

Scott Smith asked if they needed to wait for the Rules and Regulations to change before they sell the equipment. Mr. Cylvick thought they should wait. Trevor thought the potential buyer would be willing to wait until after the Annual Meeting.

Trevor reported that he and Brody repaired a leak on Beaver Circle yesterday. A 6" x 10" reducer was leaking because a part on the bottom was loose. He believed it had been leaking for some time. They tightened it and saved a gallon per minute on the history trend. Trevor stated that last night the 500,000-gallon tank went down to 1.8 gallons per minute, and the 200,000-gallon tank went down to .78 gallons per minute. They were losing 3 gallons per minute overall.

Mr. Cylvick asked about the conversations with Scott at Mountain Regional. Trevor stated that Brody and Scott had a long talk and Scott was surprised that Pine Meadow was running their system on 35-40 gallons per minute. Mr. Cylvick asked when they would install the meters that would meter the sources. Trevor stated that Uncle Tom's was already done. Trevor estimated an average of 23-gallons per minute from Uncle Tom's. Currently, it was 15.7 gallons per minute, but it goes up and down. Mr. Cylvick asked if the total source was 35 gallons per minute from all the wells. Trevor answered yes. They get 12 gallons per minute from Lower Tollgate, 9 gallons per minute from Upper Tollgate, 3 gallons per minute from Contact, and 23 gallons per minute from Uncle Tom's. Trevor explained that the actual source is closer to 40 gallons per minute, but it needs to go through the booster stations. The well runs all day long, but it takes a long time for the water to get to the tank. Mr. Smith asked if that trend was good, average, or bad in terms of sources for a water system. Trevor replied that it was embarrassingly bad.

Mr. Cylvick explained that Mountain Regional was doing new pump houses and booster stations and they met with Brody to get an idea of how much water Pine Meadow might need to purchase in the future. Mr. Cylvick stated that Mountain Regional enjoys their relationship with the Water Company and plans to be available whenever Pine Meadow needs water.

Mr. Cylvick asked Trevor and Brody to compile all the information and send it to the Board before the Annual Meeting.

Paul Suitor, Lots G-36, 27 & 28 stated that he owns three lots and they pay water on all three. However, two lots are vacant. He has no intention of building on those two lots, but they will eventually go to his children and they may want to build a cabin on those lots. Mr. Suitor did not want to combine the lots because he wanted the ability for each lot to have a cabin. He asked if there was a way to avoid paying for water on the vacant lots. Trevor asked if Mr. Suitor pays for a meter on one lot and standby fees on the

other two. Mr. Sutor answered yes. Trevor informed Mr. Sutor that there was no way to avoid paying the standby fees because it is written in the Bylaws. Everyone needs to pay into the water system regardless of whether the lot has water.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick noted that they collected \$64,000 in water connection assessments. Trevor thought the \$64,000 included an annexation. He anticipated the possibility of another annexation.

MOTION: Eric Cylvick moved to Approve the Profit and Loss/Budget versus Actual dated September 19, 2019. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet.

Mr. Cylvick noted that they were \$117,000 over where they were this time last year. They had paid down \$2.5 million on the loan. The original loan amount was \$6.5 million. Trevor pointed out that this is the last year the Water Company needs to fund the escrow account.

MOTION: Eric Cylvick moved to Approve the Balance Sheet dated September 9, 2019. Duane Yamashiro seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick noted that the balance sheet indicates a \$300,000 Mountain Regional water purchase allocation. It was not fully funded; however, the purpose is to have \$300,000 in an account to purchase water if it ever becomes necessary.

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

Minutes Approved

Date