

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, MARCH 12, 2020

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Shaun Baker, Scott Smith – Board Members.

Ex-Officio: Brody Blonquist

Excused: Duane Yamashiro, Steve Anderson, Bruce Hutchinson

Guests: Rob Katz & Jamie Harper, Lot #SS-143-2

Eric Cylvick called the meeting to order 6:33 p.m.

**Minutes**

February 13, 2020

MOTION: Eric Cylvick moved to Approve the Minutes of February 13, 2020. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Lot SS-143-2

Jamie Harper stated that he got all the annexation numbers a while ago. They talked to Weber Basin today about leasing the water share. Water shares are available at \$480 per year, but it gets transferred over to the Water Company. Mr. Cylvick clarified that the water share transfers over to the name Pine Meadow Mutual Water Company. Because they are annexing, they are required to assign the water share and cover the cost. Mr. Harper understood that all shares are leased and that nobody actually owns a water share. Mr. Cylvick replied that he was correct. Everyone in Pine Meadow owns a share of the Water Company, but they are water shares, not water rights. The Water Company has water shares that are purchased from Weber Basin. Weber Basin controls the rights and allocates water from those rights.

Mr. Cylvick noted that the Water Company has 263 shares and every time someone annexes, the Water Company receives another water share. Mr. Harper asked if Weber

Basin can ever refuse to renew a leased share. Mr. Cylvick stated that Weber Basin cannot take away shares, but a law was passed that requires the Water Company to prove those shares are being used. Weber Basin can take away the shares if they are not being used. Mr. Cylvick noted that he told Weber Basin that Pine Meadow Water does not have enough source to use all the water shares. He wanted to give up some of the water share to reduce the cost, but Weber Basin did not want to lose the revenue and refused to take back some of the shares allocated to the Water Company. Mr. Cylvick assumed the "use it or lose it" policy applied to water rights rather than water shares. Weber Basin will take away water rights if an owner cannot prove use.

Mr. Harper walked through the process and asked the Board to point out anything he was missing. Once the excavation is done, piping is in place, and all fees are paid, he wanted to know who sets the meter. Mr. Cylvick replied that it would be done by the general contractor. Mr. Harper wanted to know if there is a hot tap to the line. Brody stated that the general contractor will need to schedule for that. The line is pressurized and it goes to a hot tap. Mr. Harper asked if it was better to do a separate trench for the power. Brody answered yes, because if there is a water leak in the future it is difficult to find a contractor who will dig up a meter with water and power in the same trench. He advises people who do put them in the same trench to dig a three-foot trench, put the water six-feet deep and move the power and water off to separate sides and different elevations. Mr. Harper understood that Rocky Mountain Power will not connect power if it is in the same trench as water.

Mr. Harper asked about the structure of the Water Company. Mr. Cylvick explained that it started out as a Special Service District, but due to infighting, Summit County dissolved the Special Service District. On advice from legal counsel, the best solution was for Pine Meadow to form a water company and a homeowner association. The water company would be run by 5 elected individuals as a Board, consisting of 3 part-time owners and a minimum of 2 full-time owners. Mr. Cylvick stated that the water company was designed to be run like a company. The HOA is a Homeowners Association. He noted that the Water Company is more nimble and able to react to significant emergency issues and make changes quicker and more efficiently than the HOA. Every property owner who owns a water share is a shareholder in the Pine Meadows Mutual Water Company. However, you cannot be a shareholder in the Water Company without joining the HOA and paying HOA dues. There are different costs and assessments associated with the Water Company.

### **Unpaid Bills**

Brody Blonquist reviewed the unpaid bills. Clyde Snow Session and Swensen were

legal fees. The invoice from Erik's North America, which used to be called EVCO House of Hose, was a suction hose that was made for the VAC trailer. *Hone* Propane was to fill the tank last week. KGC Associations was Carol's invoice. PMMWC was the required escrow for the loans. Select Health was the health insurance premium. USA Bluebook was still showing a credit. Utah Local Government Trust was the 2019 Workers Compensation payroll and Class Code Audit. Utah Division of Finance was payment on the two loans. The \$13,681 invoice from Wasatch Leavitt Insurance was liability insurance for the Board members and the Water Company.

Brody noted that including the invoice from Wasatch Leavitt Insurance, the unpaid bills totaled \$48,599.36.

MOTION: Eric Cylvick moved to pay the Unpaid Bills dated March 11, 2020 as presented in the amount of \$48,599.366. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

## **Financials**

The Board reviewed the profit and loss/ budget versus actual. Mr. Cylvick noted that 86% of the annual assessment had been collected. They were currently \$106,000 under budget.

Brody referred to the \$9,179 credit under the category of Water Shares – Existing, on the bottom of page 2. He noted that the budgeted amount of \$65,000 will be reduced to \$56,000 because Pine Meadow Water was actually billed for Pine Mountain water shares last year instead of Pine Meadow. Mr. Cylvick stated that the Water Company should do their own audit each year to make sure they are paying the correct amount for their 263 shares. He questioned whether there have been mistakes every year. Brody would ask Carol to check the amount each year.

MOTION: Eric Cylvick moved to Approve the Profit and Loss/Budget versus Actual dated March 11, 2020. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. He noted that there was \$211,000 in the bank. Mr. Cylvick thought they were in a position to pay off the Mountain Regional Source Protection.

For the benefit of Mr. Baker, Mr. Cylvick explained the long process and what was involved to upgrade the water system.

MOTION: Scott Smith moved to Approve the Balance Sheet dated March 11, 2020. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

### **One-Time Reduction – PI-G-69**

Brody reported that Don Christensen, PI-G-69 on Alexander, was on the leak list. He and Trevor contacted Mr. Christensen about the leak. When Mr. Christensen came up, he found that a toilet flow was stuck open. He was requesting a one-time reduction on his water bill. Brody was comfortable with the request and the toilet had been fixed.

MOTION: Eric Cylvick made a motion to give Don Christensen a one-time reduction for his water leak at PI-G-69. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

### **Manager Report**

Brody commented on the cellular meters. He learned that the cellular system includes a spreadsheet that calculates the leak. Brody stated that if the Water Company wanted to eliminate the one-time reduction calculation, the spread sheet will show how much water was leaking. It calculates from when the leak starts and when it ends and then takes an average of usage over a certain amount of time and calculates that amount against the amount used during the leak period to show how much water was lost. Mr. Cylvick asked if Brody was suggesting giving a one-time reduction only on the leak amount. Brody answered yes. Brody pointed out that currently, when they read the meters on the first of the month, they would not know about a leak until they read again the first of the following month unless there is a significant change in the trends.

Mr. Smith asked about the cost of each cellular meter. Brody replied that the meter is \$160 plus a \$20 lid for a total of \$185. Mr. Smith asked if the Board was interested in making a proposal to the property owners encouraging them to upgrade to the cellular meter. Mr. Cylvick replied that it was still in the testing phase and the Water Company was waiting to make sure they wanted to change to the cellular system.

Mr. Baker asked if the meters work with any cell company. Brody stated that the new

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system works with Verizon and AT&T. It will try one company first and if that is not successful, it will switch to the other service provider.

Brody reported on a frozen line on Alexander. It was inside the water system PRV. He and Trevor thawed it out, put it back in, and it started working. They stuck a concrete blanket inside over the top of it and it has not frozen since.

Brody reported that they were still unable to find a small leak on the Ranch. They need to wait until the snow melts to find it. Brody personally thought it was a frost plate.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:22 p.m.

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Minutes Approved

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Date