

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, OCTOBER 8, 2020

SUMMIT COUNTY, UTAH

Board Members in Attendance: Steve Anderson, Scott Smith, Shaun Baker – Board Members. Eric Cylvick arrived later in the meeting.

Ex-Officio: Brody Blonquist, Trevor Townsend

Excused: Duane Yamashiro, Bruce Hutchinson

Guests: Paul Suitor, Lot PI-G-36

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

Minutes

September 10, 2020

MOTION: Scott Smith moved to Approve the Minutes of September 10, 2020 as written. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously. Eric Cylvick was not present for the vote.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Clyde Snow Sessions and Swenson was the bill for legal fees. Hydro Specialties Company were for the meters. ID Electric were charges to fix problems at Oil Well. KGC Associates was Carol's invoice. Pine Meadow Mutual Water Company was the required escrow for the loans. Rocky Mountain Power was the monthly power bill. TAK Technology was the Internet website. Utah Division of Finance were payments on the two loans. Verizon Wireless was for the cellphones.

MOTION: Scott Smith moved to pay the Unpaid Bills dated October 7, 2020 as presented. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously. Eric Cylvick was not present for the vote.

Financials

The Board reviewed the profit and loss/ budget versus actual.

MOTION: Steve Anderson moved to APPROVE the Profit and Loss/Budget versus Actual dated October 7, 2020. Scott Smith seconded the motion.

VOTE: The motion passed unanimously. Eric Cylvick was not present for the vote.

The Board reviewed the balance sheet.

MOTION: Steve Anderson moved to APPROVE the Balance Sheet dated October 7, 2020 as presented. Scott Smith seconded the motion.

VOTE: The motion passed unanimously. Eric Cylvick was not present for the vote.

Brody noted that the back sheet of the financials was a page for one of the foreclosure redemptions. The owner would like to redeem the water share to have a buildable lot. Brody assumed the owner wanted the water share to either sell the lot or to build on it.

Mr. Anderson was comfortable redeeming the water share if it meets all the criteria.

MOTION: Steve Anderson moved to APPROVE the water share foreclosure redemption. Shaun Baker seconded the motion.

VOTE: The motion passed unanimously. Eric Cylvick was not present for the vote.

Brody asked Carol to handle the foreclosure redemption.

The Board paused the recording to give the Board members an opportunity to look over the budget Carol had sent.

The Board resumed the recording. Eric Cylvick arrived and joined the meeting.

Mr. Anderson noted that the Board needed to revise the budget based on the numbers that Carol presented. They were short \$105,000 due to the cost of the new meters. Mr. Anderson pointed out that Carol had used the 2020 budget numbers for 2021, with minor adjustments for payroll and a few other items.

Mr. Cylvick noted that the Capital Reserve Fund was available. Mr. Anderson noted that they had \$70,000 from new water connections in 2020. Mr. Anderson asked about the \$40,000 for repairs in October 2020 that was showing on the budget. Trevor stated that the number should be \$38,000 if it was for meters. Mr. Cylvick remarked that the meters should not fall under repair. He believed it was a capital expenditure rather than an operating expense. The \$40,000 should come from the Capital Reserve Fund,

which is funded by annexation fees and impact fees. Mr. Cylvick suggested that the Board ask Carol for the best way to show the expense. He emphasized that the Water Company has the money, but the question is where to take it from. He read off the amounts in the different funds. Mr. Cylvick stated that he would contact Carol to discuss it.

Dean Bawdin Agreement

Mr. Cylvick noted that Carol questioned why they were not recording the agreement. He discussed her concern with Ted Barnes and Mr. Barnes questioned whether the Board wanted anyone who looks it up to know what the Water Company negotiated on the agreement. Mr. Anderson stated that his only concern with not recording the agreement is what will happen in the future if the easement is ever questioned. Mr. Cylvick noted that the easement itself would be recorded and he was not opposed to recording the agreement document. He pointed out that the Water Company has the right to negotiate with individual property owners without it being a precedent. Mr. Anderson was not concerned about it setting a precedent for other property owners as long as there is justification related to a specific circumstance.

Mr. Cylvick thought Mr. Barnes' concern was more for the HOA. It is important that the HOA Board be transparent about giving Mr. Bawdin a waiver and the reason why they agreed to it.

Mr. Cylvick favored recording the easement agreement because the Water Company would be more transparent, and the document would always be on record. The Board agreed.

Manager Report

Brody reported that Oil Well is on the schedule to replace the pump. He was waiting to hear from Delco on the exact date.

The shop roof is scheduled to be repaired. He was unsure of the date, but the repair was approved by the insurance company. Brody noted that the side that blew off would be repaired all the way to the peak. He asked if the Board was interested in doing the other side next year. The cost is \$20,000 and the Water Company would bear that expense. The new roof is a rock and roll system that prevents the wind from getting underneath and blowing it off. Brody stated there was a benefit to replacing that side of the roof, or they could wait until another bad windstorm tears it off and then file an insurance claim.

Brody reported that he and Trevor were installing meters. They had installed 81 meters

since Monday. The rep was coming up next Monday to transfer the file, which means everything that he and Trevor did is put into their system. At that point everyone's account will be operational. Once everything is up and running, they will send out postcards or emails informing people that they can start their accounts to log on and track their water.

Brody reported that the system was running well. They reached a point on Monday where they were able to fill the tanks. The history trends were going up. One of the two pumps in Oil Well was down, but the other pump was working fine. Brody believed that with the colder weather and less usage they would be able to fill the tanks on their own. The wells were still producing the same as they were this summer.

Mr. Cylvick asked if Brody was planning to meet with Scott at Mountain Regional. Brody replied that Scott had wanted to wait until the middle of October, and he would send him an email to refresh his memory. Mr. Cylvick thought they should ask Mountain Regional for 150 gallons per minute plus whatever gallons per minute they feel is necessary to run Stagecoach. If Stagecoach is allowed sprinkling and outdoor water usage, they need to be able to cover that usage in addition to the 150 gallons per minute needed for the Pine Meadow water system. Mr. Cylvick thought they should continue to develop a relationship with Mountain Regional because they were interdependent on each other.

Annual Meeting

Brody stated that the Annual Meeting would be held at the shop. Mr. Cylvick suggested moving future Annual Meetings to the beginning of October when the weather is better. He would ask Carol if there is a reason the Annual Meeting is held in November and whether it could be moved to October.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:19 p.m.

Minutes Approved

Date