

Approved
August 12, 2021
as written

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JULY 8, 2021

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Steve Anderson, Shaun Baker, Scott Smith, Paul Suitor – Board Members

Ex-Officio: Brody Blonquist

Excused: Duane Yamashiro

Guests: John Zimmerman, Lot FM-D-154 & FM-D-149, also representing Matt Murdoch, Lot FM-D-150

Eric Cylvick called the meeting to order 6:30 p.m.

Minutes

June 10, 2021

MOTION: Eric Cylvick moved to Approve the Minutes of June 10, 2021, as written. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Public Forum

Brody reported that he spoke with John Zimmerman and with the contractor. Brody was waiting on a bid. They needed to measure the elevation and everything to understand the percentage change of the grade. Paul Suitor asked if this was the situation where the line goes under the driveway that was previously discussed. Brody answered yes.

Brody stated that the most realistic approach in terms of cost would be to put down more insulation and raise the driveway. Brody expected to receive the bid for that work within the next couple of weeks and he would email to the Board.

Mr. Zimmerman disagreed with Brody's solution. He understood the easement was deeded to the Association by his father and the HOA has control, but what Brody was suggesting would put them out of compliance with Summit County for the grade. Brody stated that the contractor, BTM construction, is experienced with driveways in Summit County. He used a handheld unit and said that neither the percentage nor the slope would change. Brody stated that the number one concern is making sure that

the driveway is at the grade and percentage to comply with Summit County.

Mr. Zimmerman noted that there is a parking area at the bottom of the driveway, and anything they add will add to the steepness of the driveway. Brody agreed. He remarked that the contractor walked down there, and he thought it would be possible to feather everything out to meet the slope and the grade. Mr. Zimmerman assumed the contractor could feather it out by taking up space in his parking area. Brody replied that the contractor had said everything would be left the way it is now. He was just relying on the expertise of the contractor.

Mr. Zimmerman stated that he built the place and designed the road. He also built the place below it and designed that property as well. He dealt with Summit County on both properties and knows the requirements. Mr. Zimmerman reiterated his disagreement with that solution.

Brody stated he would wait for the contractor to come back with the slope, the grade, and the GPS coordinates and then look at it. Mr. Zimmerman remarked that the contractor's calculations need to end at the driveway. The calculations cannot take into account the parking area and make that the slope, because it would leave nowhere to park.

Mr. Zimmerman noted that he had prepared different solutions and the one suggested by the contractor was his least favorable solution. Mr. Zimmerman asked if Brody had dug a test hole to see where the pipe is located. Brody had not yet dug a test hole. He noted that Blue Stakes marked the power line, and the water line is in the same trench as the power line. Mr. Zimmerman pointed out that the depth is not measured by Blue Stakes. Brody agreed.

Mr. Zimmerman suggested that the easiest and most straightforward solution would be to abandon the water line, put a new connection at the top, dig a new trench away from the Blue Staked power line at the appropriate depth down to the area where the transformer is located across the parking lot. Brody noted that they did look at the solution; however, where they come off the hill the pipeline will zigzag and there is nothing to hold the water pressure. Mr. Zimmerman was unsure how Brody could know that when he had not dug any test holes to know the depth of those lines. Brody stated that the depth on Arapaho is 6' deep. Mr. Zimmerman did not believe the depth down the driveway was 6' deep, which is the problem. If they stay at 6', they would not be able to do what Brody was describing. Brody and Mr. Zimmerman discussed various scenarios for the pipe. Brody drew a diagram for the Board to show what he was proposing. Mr. Zimmerman stated that Brody's diagram was not reality. He pointed out the easement that his father deeded to the HOA and noted that currently the water line runs with the power line to the parking area. Mr. Zimmerman reiterated that the current grade was acceptable by Summit County. Brody explained what he understood from the contractor. Mr. Zimmerman sketched a diagram showing his suggested proposal. After further discussion, Mr. Cylvick asked Brody to also get a quote on replacing the water line. He also emphasized the importance of making sure the grade meets Summit County requirements.

Unpaid Bills

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Brody reviewed the unpaid bills. Badger Meter was the monthly fee for the endpoints they have currently. Delco Western was to rebuild two of the chlorinator tops and to rebuild the chlorinator pump. Hydro-Specialties was for the endpoints they recently received. KGC Associates was Carol's invoice. Pine Meadow Mutual Water Company was the escrow payment on the two loans. Rocky Mountain Power was the monthly bill. Select Health was the health insurance premium for Brody. The Utah Division of Finance was the loan. Verizon Wireless was for the cellphones. White's Auto Parts was miscellaneous parts for the vehicle.

MOTION: Eric Cylvick to pay the Unpaid Bills dated July 7, 2021, in the amount of \$81,664.46. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Mr. Sutor noted that \$1800 was budgeted for building repairs and they spent \$1800 in the first six months. Brody offered to check with Carol to see what she puts under that line item. When he buys something from Home Depot Carol often puts that expense under building repairs. At the end of the year, he and Carol go through everything and allocate the expense under the appropriate category. Brody pointed out that they had spent \$1800, but it was not necessarily all on building repairs.

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 July 7, 2021. Eric Cylvick seconded the motion.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to APPROVE the Balance Sheet July 7, 2021. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

Manager Report

Brody reported that new meters were delivered, and they were being installed. They started with 309 and were down to 271. The goal is to keep focusing on installing the meters until they are done.

Brody had installed three meters since the last Board meeting. He was also working on getting the chlorinator up and running.

Brody stated that Eric Cylvick, Shaun Baker, and Duane Yamashiro were up for election this year. He asked if all three intend to run again. Mr. Baker assumed that if they ran again their positions would just end

when the annexation occurs. Brody thought it was important to keep the current Board intact through the transition.

Eric Cylvick and Shaun Baker agreed to run again. Mr. Cylvick would contact Duane Yamashiro to see if he is interested in running again. Mr. Yamashiro is not always available to attend a Board meeting, but he is dedicated and does participate via phone when needed for voting, etc.

Brody reported that everything was moved up a month. The Annual Meeting will be held in October rather than November. Carol will send out the election information in August. The shareholders will vote from September to October.

Paul Suitor understood the importance of keeping the same Board; however, he did not think it would make much difference if they replaced Duane Yamashiro with someone who could attend the meetings more often.

Agreement with Mountain Regional

Mr. Cylvick asked if the Board members had the opportunity to read through the Agreement from Mountain Regional. Mr. Cylvick had made a couple of changes and had questions. One of the changes was “upon such annexation, the Pine Meadow Mutual Water Company will transfer all of its culinary water assets in accordance with a future annexation agreement to the district.” The purpose of the change was to add culinary water assets in accordance with future annexation agreement. In the first version the language read, “As part of the annexation, the Pine Meadow Mutual Water Company will transfer all of its assets”.

Mr. Cylvick noted that Ted Barnes suggested adding to 1d on page 2, “...in the event the total annexation and administration fees are expected to exceed \$350,000.” He noted that originally there was no clause for letting the Water Company know the price before exceeding a certain amount. The threshold was set at \$350,000. Mr. Cylvick hoped to keep the cost within a \$200,000 to \$400,000 range, but it was still unknown what the engineering analysis will show and whether they can transfer the water shares. He has been in discussions with Scott from Mountain Regional. Steve Anderson and Ted Barnes participated in parts of those discussions as well.

Mr. Cylvick stated that a statement in the Rules and Regulations states that any water shares in East Canyon outside of the existing area would not be allowed to be transferred in, even though it is within the same Silver Creek drainage. Mr. Anderson remarked that language states that no transfer shall be made from the east into the west. Mr. Cylvick suggested that they move all the water shares to A-plat so they would be in the transfer area. He will ask Ted Barnes if it is possible to consolidate all the water shares.

Mr. Cylvick recommended that the Water Company hold onto all their equipment until they know exactly what will happen. Initially, Mountain Regional did not understand that there were 800 shareholders on the Ranch, and that maybe other external lots may want to hook onto the system. He told Scott that the Water Company has a facility, many pipes, and many lots, and it could be an asset to have a base on the

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Ranch. If Mountain Regional decides to use the existing Water Company office, they might want to lease the equipment from the HOA.

Before signing the agreement, Mr. Cylvick wanted to research whether they could move the points of diversion to a different part of the Ranch.

Mr. Cylvick asked the Board Members to thoroughly read the agreement. Brody noted that Mountain Regional will be approving the Agreement on July 15th. Mountain Regional needs to approve it before the Water company can approve it.

Mr. Cylvick stated that they already lost Trevor and if Brody gets a good offer, he should take it. However, if they lose Brody, they have no idea where the meters and everything else is located. Mr. Cylvick thought it would be beneficial to have a survey done this summer. Brody remarked that he still had 270 meters to install, and those installs would take until the end of August. His focus should be to finish the meters. He preferred to wait until September or October to survey. Mr. Cylvick asked Brody to get a quote from the engineering company.

Miscellaneous

Mr. Anderson asked if the problem with Chris O'Rourke, Lot PI-E-16 had been resolved. Mr. Cylvick stated that they could do an easement agreement. He had sent a list of three or four potential options to the Board. Mr. Cylvick had been in discussions with Mr. O'Rourke. Ted Barnes was comfortable with any of the options. It did not need to be a lot line adjustment.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:16 p.m.

Minutes Approved

Date