

Approved
June 9, 2022
as written

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, APRIL 14, 2022

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Scott Smith, George Sears – Board Members.

Ex-Officio: Trevor Townsend

Excused: Shaun Baker, Steve Anderson

Guest: Mel Raymond, Lot FM-C-74

Eric Cylvick called the meeting to order at 6:37 p.m.

Minutes

MOTION: Eric Cylvick moved to approve the Minutes of March 10, 2022, as written. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody reviewed the unpaid bills. Clyde, Snow, Sessions & Swensen were legal fees. Delco Western was for Matt to come up and work on the pump. Ferguson Enterprises were parts to thaw the meters. Immersion Development was the renewal charge for the website. KGC Associates was Carol's invoice. Rocky Mountain Power was the power bill. SCADA was the payment for yearly licensing for telemetry. SKM was a repair in February. Summit County Health Department was water sample testing. Verizon Wireless was for the cellphones. Utah State Division of Finance were the two loan payments.

MOTION: Eric Cylvick moved to pay the Unpaid Bills dated April 13, 2022, in the amount of \$32,855.44. George Sears seconded the motion.

VOTE: The motion passed unanimously.

Financials

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

Mr. Cylvick questioned the \$2265 charge for registration and property tax and asked that Carol clarify the charge.

Mr. Cylvick noted that they were 81.8% of income budget on assessments.

MOTION: Eric Cylvick moved to Approve the Profit and Loss, Budget versus Actual dated April 13, 2022. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet.

MOTION: Eric Cylvick moved to Approve the Balance Sheet and Previous Year Comparison as of April 13, 2022. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Mel Raymond – Lot FM-C-74

Ms. Raymond stated that she had sent Brody an email, and this was a follow-up. A year ago, the annexation to Mountain Regional was a year out and now it is five years. She remarked that at the time it looked promising, but now they need to look at putting in hydrants themselves. Ms. Raymond pointed out that she was also here representing Lots 72 and 73. She clarified that they were trying to get something within the top quarter mile. She pointed out that there was approximately 600 yards between the hydrant past the top of Valley View and where she is at the bottom of Valley View. Trevor stated that the closest hydrant is at the top of Grandview.

Ms. Raymond clarified that her intent was not to create a slippery slope for the Water Company where everyone gets a private fire hydrant when they build. It did not need to be in front of her lot but somewhere on the road that is becoming more active.

Mr. Cylvick stated that the Water Company had paid for the engineering analysis that was being done. At this point, it was a wait and see approach to see what the analysis shows. One possibility is to potentially remedy the deficiencies if the Water Company has the financial means to do so.

Ms. Raymond stated that her cabin is almost built; however, without the Mountain Regional annexation she could not obtain a CO and insurance without resolving the hydrant or fire suppression situation.

Mr. Cylvick stated that the Board needs to decide the best way to handle it, but they first need to see the engineering report. Adding fire hydrants is a process that requires engineering and planning, as well as the financial aspect. Trevor believed the engineering assessment would show a deficiency in hydrants, particularly on the Forest Meadow side. He thought installation of fire hydrants would be after the snow melts. Ms. Raymond lives on a south facing hill and the road has already been plowed to her driveway.

Ms. Raymond stated that she was willing to contribute financially if the Water Company was willing to install a fire hydrant based on the engineering report. Mr. Cylvick told Ms. Raymond to stay in contact with Brody and Trevor.

Mountain Regional Water Agreement

Mr. Cylvick had emailed a copy of the Agreement to Brody, Trevor, and the Board members. Mr. Cylvick noted that the Termination section reads, "In the event the Pine Meadow Mutual Water Company secures an alternative source of water sufficient to satisfy the State requirements for full buildout of the area it serves, either party may terminate this agreement upon the delivery of written notice to the other party at the address set forth above 180 days prior to termination. Otherwise, in recognition of the health and safety of a dependable culinary water supply, this agreement will remain in effect until the earlier of 1) completion of the annexation process; or 2) if replacement by the long-term water supply agreement described in Section 3 above. Any disputes that may arise between the parties shall be addressed first by negotiation and then, if necessary, through mediation. In the event the mediation does not resolve all issues between the parties, the parties agree to submit those outstanding issues to binding arbitration". Mr. Cylvick summarized that Mountain Regional cannot terminate them unless the Water Company has an alternative source of water for buildout.

Mr. Sears pointed out that after five years, Mountain Regional needs to sell the Water Company water in perpetuity. Mr. Cylvick stated that in his meeting with Mountain Regional, they agreed to extend the long-term water agreement if Pine Meadow Water cannot find another source. Mr. Cylvick would send the redlined copy to Mountain Regional and wait for their response. He thought they were close to being ready to sign the agreement.

The Board also had copies of the Employment Agreement drafted by Ted Barnes. Mr. Cylvick noted

that Brody had made some changes, including one stating that the employment agreement is executed when the annexation occurs and not the day the agreement is signed. Mr. Cylvick explained that it was a new employment agreement between the Water Company and Brody and Trevor as employees. This employment agreement will protect Brody and Trevor if the annexation actually occurs.

MOTION: Eric Cylvick made a motion that he be allowed to sign the Employment Agreement between Trevor Townsend and Brody Blonquist after minor changes are made to clean up the language. George Sears seconded the motion.

VOTE: The motion passed unanimously.

Mr. Cylvick stated that for Trevor, he would eliminate the language, "This agreement replaces and completely supersedes the severance agreement that was entered into between employer and employee on December 10, 2021". Number 7 will read, "The employer will be under no obligation to pay severance or other compensation beyond what is expressly stated in Paragraph 4 above". Mr. Cylvick explained that if Brody and/or Trevor take a job with Mountain Regional they will not get the severance. If they accept a job they simply transition over. If a job is offered and they do not accept it, they can get their severance package. Mr. Sears thought the severance package should clarify 40 bi-weekly payments occurring every two weeks, which is just short of 2 years

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:37 p.m.

Scott Smith

Minutes Approved

6/09/2022

Date