

**Approved
August 11, 2022
as written**

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JULY 7, 2022

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Shaun Baker, Scott Smith – Board Members. John Adams represented the HOA.

Ex-Officio: Brody Blonquist

Excused: Steve Anderson, George Sears

Eric Cylvick called the meeting to order at 6:49 p.m.

Minutes

MOTION: Scott Smith moved to approve the Minutes of June 9, 2022, as written. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody reviewed the unpaid bills. Clyde Snow Session and Swensen were legal fees. Delco Western was for a pump at Switchback. Ferguson Enterprise were meter parts. Home Propane was the year lease on the propane tank. Horrocks Engineers was for the work to engineer the meter vault between Pine Meadow Water and Mountain Regional. KGC Associates was Carol's invoice. Komatsu Equipment were filters and other items needed for the equipment. Mountainland Supply was for parts, with the exception of \$817 which were parts to repair the leak on Arapaho and Forest Meadow Road. Pine Meadow Mutual Water Company was the Mountain Regional Water fund. Rocky Mountain Power was the monthly power bill. Utah State Division of Finance were the two DDW loan payments.

MOTION: Eric Cylvick moved to pay the Unpaid Bills dated July 6, 2022, in the amount of \$46,731.72. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Financials

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

Brody noted that they would exceed the amount budgeted for payroll expenses because the budget was set before Trevor came back.

Mr. Cylvick commented on the \$1968 under equipment repair and vehicle maintenance. Brody explained that the amount was primarily due to the \$800 recently spent to service the backhoe and mini hoe. He and Trevor did the service work, but the parts were expensive.

Scott Smith asked if the water purchase from Mountain Regional would continue to decrease now that the large leak was repaired. Brody thought it would; however, it was difficult to predict because they have no idea what else might occur the rest of the year. Mr. Cylvick noted that the Water Company has not needed to purchase water since the leak was fixed. The last purchase was May 18th.

MOTION: Eric Cylvick moved to Approve the Profit and Loss, Budget versus Actual dated July 6, 2022. Shaun Baker 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 July 6, 2022. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody asked the Board to approve \$3,000+ for dirt for the road. When it rains the road gets very slick. The cost would cover 10 loads. He questioned whether the HOA might cover half of that amount. Brody stated that trucks and trailers will not make it up in the Fall unless they do something. He suggested 3" barrow because he wanted something more binding with rocks rather than road base. The cost is \$315 per load, and he anticipated needing 10 loads. Mr. Cylvick agreed that the road is dangerous when its wet.

The Board was willing to consider paying \$1500 if the HOA pays half.

MOTION: Eric Cylvick moved to Approve spending approximately \$1500+, splitting the full cost of the road material with the HOA. The estimated cost is \$315/load for 10 truckloads of 3" barrow for the road near the gravel pit for a total of \$3,000+. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Brody commented on extending the Forgotten Lane line. He noted that the contractor bids were approximately \$80K-\$90,000. Brody thought he and Trevor could extend the line for \$35K-\$40,000. He asked if the Board wanted to move forward with extending the line and whether he should start getting the supplies. The Board agreed to move forward. Brody stated that he would start purchasing pipe, fire hydrants, and other parts. He was looking at getting a trackhoe the first of September to start the work.

MOTION: Eric Cylvick moved to Approve the Forgotten Lane line extension with the stipulation that Trevor and Brody will do the install and be paid for their additional labor required. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Brody asked if the Board wanted to move ahead with moving the meter pit between the Water Company and Mountain Regional. He had the design from Horrocks and it was ready to go out for bid. They already have the meters that were purchased in April, and he will put the rest out for bid. Brody anticipated the work being done this Fall.

Mr. Cylvick noted that they have a \$120,000 credit with Mountain Regional because Pine Meadow paid for the line and Mountain Regional offered to split that expense. Brody clarified that Mountain Regional offered to split the cost of the meter station because they believe it needs to be done. Mr. Cylvick stated that his conversation with Scott Morris before he left was that Pine Meadow would have a credit. He asked Brody if they would still continue to have that credit. Brody was unsure. Once he obtains the bid they can meet with Mountain Regional. Mr. Cylvick intends to meet with the new President of Mountain Regional to go over all the emails and correspondence from Scott Morris and talk about the credit. If Pine Meadow can use the credit to pay its half of the cost, they should not have any out-of-pocket expense.

Brody reported that Bowan and Collins Engineers were finishing up the engineering evaluation. He

and Trevor answered additional questions regarding the water system. They are moving ahead; however, they anticipate another three months before the evaluation is completed. Brody suggested that once the evaluation is complete, Pine Meadow Water might want to consider transferring all their engineering over to Bowan and Collins. He thought their work was a little more professional. Mr. Cylvick asked about the difference in rates. Brody did not believe the difference was significant. He had an email that he would forward to Mr. Cylvick. Brody noted that Bowan and Collins had already modeled the water system and he thought it made sense to keep using their firm in the future. Mr. Cylvick suggested scheduling a meeting with the shareholders after the evaluation is complete and invite Bowan and Collins to come and answer questions about the water system.

Mr. Cylvick stated that this was the first time in the history of the Ranch that Pine Meadow has all the water they need to build out every lot. He explained that Pine Meadow and Mountain Regional are in a long-term water supply agreement. The terms can only change if Pine Meadow Water finds an alternative source of water sufficient for build out, or if Pine Meadow Water is annexed.

Brody noted that the Water Company would be required to do an engineering evaluation whether it was now or five years from now. He pointed out that another advantage of using Bowan and Collins is if the Water Company decides to do another project in the next few years the engineering is already done, and they would only need to engineer the new project.

Mr. Cylvick asked Brody to gather the emails between Pine Meadow and Scott Morris when he was with Mountain Regional and set a time to meet with the new President of Mountain Regional. Brody should also obtain bids for the meter between Pine Meadow and Mountain Regional.

Brody reported on the water meter on the Donati property. He and Trevor met with Gianni Donati and Mr. Donati is currently in a battle with attorneys trying to get the line and the road as an easement. Mr. Donati was trying to get a prescriptive easement because the road going back to his lot has been there since the 1980s. Brody stated that if Mr. Donati can get a prescriptive easement, they will take the meter out of the middle of the driveway. He drew a diagram showing the cabin location and how the water line goes down the prescriptive easement to Artist Point. He explained that the water meter was off to the side, but because the driveway was widened, the side meter now sits in the middle of the driveway. Brody explained the process for moving the meter to the road. If Mr. Donati cannot obtain the prescriptive easement, he will need to hookup at Forgotten Lane and run the water line to his cabin, which will be costly. Brody stated that Mr. Donati also wants a prescriptive easement because otherwise he will not be able to get any type of construction vehicle to his property. Mr. Cylvick thought a prescriptive easement would only be for a water line. He did not believe it would allow vehicle access.

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The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:35 p.m.

Minutes Approved

Date