

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, JUNE 8, 2023

SUMMIT COUNTY, UTAH

Board Members in Attendance: Steve Anderson, Scott Smith, George Sears - Board Members

Ex-Officio: Brody Blonquist

Excused: Shaun Baker

Steve Anderson called the meeting to order at 6:42 p.m.

Minutes

Steve Anderson asked whether Carol had explained the Employee Retirement Fund. Brody stated that he was not at the last meeting and did not know anything about it. Mr. Anderson asked Carol to send him a note with the requested explanation.

MOTION: Scott Smith moved to approve the Minutes of May 11, 2023, as written. George Sears seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Badger Meters was the monthly cellular service. Ferguson Enterprise was parts for upcoming meter installs. ID Electric was for PLT changes at Tollgate Well. Pine Meadow Mutual Water Company was the monthly deposit the Water Company makes to the water purchase savings account. Rocky Mountain Power was the monthly power bill. Utah State Division of Finance were the two loans.

MOTION: George Sears moved to approve the unpaid bills as presented dated June 2023. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Financials

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

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Brody reported that they lost both pumps at Oil Well. They made the decision not to replace the first one that went down two years ago anticipating that Mountain Regional would be taking over the water system. When the second pump went out, they replaced it with a smaller pump because the older pumps were designed for 100 gallons per minute. The new 5-horsepower pump will reduce the cost and run more efficiently with the current flow.

Brody stated that when the pump went down, they pulled it out to identify the problem. They found that the thread on a piece of 3" pipe that the motor hangs was completely corroded. The water was pumped up and back into the tank. Brody had an order in for a new piece of 3" pipe. The pump was already dismantled and just needed to be put back together.

MOTION: George Sears moved to approve the Profit and Loss/Budget Versus Actual dated June 7, 2023. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the Balance Sheet.

Mr. Anderson asked about the status of Mountain Regional. Brody stated that the last update from Mountain Regional was for the first part of May, and they were in the negative by 430,000 gallons. It was primarily due to Uncle Tom's well that was down in March and April. He noted that the contract states that Pine Meadow Water will pay monthly at the end of the month. Brody contacted Mountain Regional to see if they intended to bill the Water Company and they told him that they were still trying to figure things out. Brody hoped they would not be billed because now that the system is running fully again, they can reduce the negative amount.

Mr. Anderson had not heard an update regarding the transition between the systems. He asked if they were going to put in a meter. Brody replied that the bids that came back were \$80,000-\$90,000. Even if Mountain Regional paid half, the Water Company would still be paying close to \$50,000. The thinking was that Pine Meadow could purchase a lot of water for \$40,000-\$50,000. A final decision was still up in the air.

Brody stated that Mountain Regional has a meter at the Preserve and it pumps water towards Pine Meadow. The Water Company gets the meter billing for any water that goes through the gate and over through to their customers in Stagecoach. Mountain Regional is collecting all the water from the meter billings. Also, any water that goes down to the tank goes backward through that meter to Stagecoach.

Brody stated that a main line leak is his biggest concern. However, he can look at the history trends and find out what time the line broke and what time it was shut off. He can use that information to calculate the amount of water lost and Mountain Regional will credit back that amount. Mr. Anderson understood that the only difference without the meter is that the Water Company would not have their own verification of Mountain Regional's numbers. Brody stated that the only time he knew they were shorted was when Mountain Regional flushed their fire hydrants. It does not show on the history trends because they only

flush for 5-6 minutes per hydrant, but they use 3,000-4,000 gallons per hydrant. He has asked Mountain Regional to notify him when they flush the hydrants so they can keep an eye on the trends. Brody noted that due to the drought, water companies are cautious about flushing hydrants.

MOTION: George Sears moved to approve the Balance Sheet/Previous Year Comparison dated June 7, 2023. Scott Smith seconded the motion.

Manager's Report

Brody was obtaining bids for the small section of line on Forgotten Lane. There was money in the budget for it. Brody stated that to do the entire section it would require approximately 1,000 feet of line. He noted that the two lots that actually paid for a water hookup were 200-300 feet away. Brody suggested splitting it up by laying 500 feet this year and 500 feet later on when the other lots start to show interest in building. Mr. Anderson asked if putting in 1,000 feet would create a loop. Brody answered yes. It is a dead-end now and will remain a dead-end if they only do 500 feet now. He pointed out that if they do make it a loop there is not enough pressure to give the upper lots on that road pressure. It has to come from the bottom section. Brody stated that later on they could have engineering done to manipulate with PRVs and other things to get pressure off the upper section. He and Trevor think they should eventually tie it in to make a continual loop. Brody stated that once he has the bids they can break it down to price per foot and decide whether to provide lines to the two lots that are planning on building this year and put the rest of the money that was in the budget aside and add to it over the next few years to finish the rest.

George Sears questioned whether it was better to wait, or whether it might be more expensive in a few years. He thought they needed to consider the trade-off, recognizing that they also have other priorities that need to be addressed. Brody remarked that he was getting bids for 900 feet, which would cover every lot on that road. He will have the bids for the next meeting and the Board can make a decision. There was plenty of time to move forward on whatever they decided to do.

Brody reported that everything else they were doing was primarily maintenance work. They were fixing all the fence posts. People are pulling them out for some reason, and it makes it difficult when they need to find a valve, meter, or hydrant. The posts are painted in different colors to mark specific items in those areas.

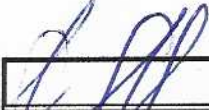
Brody stated that people will be coming up next week to finish up some of the work the Water Company delayed because they thought Mountain Regional would be taking over. Mr. Anderson asked if all the meters were installed last year. Brody replied that all the meters were installed two years ago.

Brody reported that they were receiving requests for a lot of water service letters. He was beginning to think that people might be paying for water service to make the property worth more if they sell it because it proves the lot can have water. He remarked that at least 25 water letters represent meters that have not been installed over the last three or four years because there is no structure on the lot. Mr. Sears pointed out that the HOA approved a lot of plans for new homes, and everyone must have a water serviceletter

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before moving forward. However, some people ended up delaying construction because the interest rate started going up. Mr. Anderson thought another factor is that people purchase property with good intentions but change their minds about building when they realize everything that is involved and the cost. Brody noted that they saw this same downturn in 2008. Summit County fire suppression requirements could be another factor.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:14 p.m.



Minutes Approved

Date