

Approved
October 12, 2023
as written

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 14, 2023

SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Steve Anderson, Shaun Baker, Scott Smith - Board Members

Ex-Officio: Brody Blonquist

Excused: George Sears

Eric Cylvick called the meeting to order at 6:35 p.m.

Minutes

MOTION: Eric Cylvick moved to approve the Minutes of August 10, 2023, as written. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Brody Blonquist reviewed the unpaid bills. Badger Meter was for purchasing additional meters to have on hand because of supply delays. Eric Cylvick was for the meeting attendance per diem. Ferguson was a credit for returned parts, as well as purchasing parts for the meter installations. George Sears was the per diem. KGC Associates was Carol's invoice. Pine Meadow Mutual Water Company was the savings account the Water Company pays into for future emergency purchases of water from Mountain Regional. Rocky Mountain Power was the monthly bill. Scott Smith was the per diem. Utah State Division of Finance was for the two DDW loans. Verizon Wireless was for cell phones. White's Auto Parts were parts for the trucks.

MOTION: Eric Cylvick moved to approve the unpaid bills as of September 13, 2023, for \$39,592.09. Shaun Baker seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the Profit and Loss/Budget versus Actual. Mr. Cylvick noted that they were approximately \$13,000 below the Revenue budget. They had collected 98.5% of what was budgeted.

Mr. Cylvick asked Brody if the Water Company had paid Mountain Regional for any water. Brody stated that he spoke with Chris Braun at Mountain Regional in July and asked if they planned to bill the Water Company. At that time, they were 800,000 gallons in the red. Chris Braun said he would talk to their accountant and Brody had not heard back. Brody stated that currently in September, the water company was 500,000 gallons in the red. He thought Mountain Regional might wait until the end of the year to bill them to see if they can make it up.

Mr. Anderson pointed out that what they owe Mountain Regional does not show up on the balance sheet as a liability. Brody replied that it does not show up on the balance sheet; however, there is a budgeted line item for Mtn Regional Water Purchase on the Profit and Loss. Mr. Anderson thought the liability should also be on the balance sheet. Mr. Cylvick was not sure how it could be a liability since Mountain Regional had not yet billed them. He thought it would show up at the end of the year. Mr. Anderson explained how Carol could calculate an estimated amount. Brody estimated that currently, the Water Company would owe Mountain Regional \$4,500. Mr. Anderson believed that amount was significant enough to show it as a liability.

MOTION: Scott Smith moved to approve the Profit and Loss/Budget Versus Actual dated September 13, 2023. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet.

MOTION: Eric Cylvick moved to approve the Balance Sheet/Previous Year Comparison dated September 13, 2003. Steve Anderson seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that the water system has been running well. He and Trevor had been doing several meter installations and more were coming in the next few weeks.

Brody stated that they will be starting the Forgotten Lane project within the next week or two. He thought they could complete the project in a week.

Brody and Trevor have been preparing for winter. They fixed all the meters with faulty endpoints and sent the endpoints in for warranty.

Mr. Anderson asked if the Water Company has a standard list that they give to contractors who install meters and other things related to the water system. Brody replied that they have a detailed outline of what they need to do. They do not give the contractors a parts list because the Water Company has provided the parts. He and Trevor are also on-site when any contracted work is being done. Brody explained that the primary reason for providing the parts is that every other water system provides a detailed parts list that the contractor is required to use for meter connection, but the contractors typically bring whatever parts they want rather than the right parts.

Mr. Anderson asked if the contractors warranty their work. Brody answered no. Mr. Anderson asked if they would want a year's warranty. Brody thought it could be proposed at the Annual Board meeting. He did not think it was unreasonable to say that the contractor should have a year's warranty on any work they do. Mr. Cylvick added it to the list. He thought requiring a year's warranty was reasonable. Brody named other projects where the contractors did warranty their work. However, for meter installations, there is nothing drawn up for a warranty. He thought it would be good to add. Brody clarified that the owners put down a \$2500 bond and if anything happens to the water system before the final inspection, the Water Company keeps the \$2500 bond. Brody explained that if someone puts a meter on their property today, the Water Company does not return the bond until the house is complete and the owners receive their certification of occupancy. Mr. Cylvick clarified that under that scenario, if there was a problem with the meter the Water Company would go after the homeowner and not the contractor. He thought the one-year warranty should be with the homeowner and the homeowner would be responsible for tracking down the contractor.

Mr. Anderson stated that the Water Company will require a one-year warranty when the owner signs up and obtains their water letter so the owner can put it in their contract with the contractor. Brody offered to research how other water companies do warranties. Brody also offered to look into Mountain Regional's policy for having the contractors provide the parts. Mr. Anderson preferred to have the contractor purchase the parts because if they get into a warranty situation, the contractor can say the part was supplied by the Water Company. He thought it was better to have a detailed drawing and a parts list to give to the contractor. Brody remarked that the only downfall is they are finding a lot of owners who bought water letters in 1999 but the meter was never installed. He questioned how they could go back to those people and tell them they need to pay for parts now. Mr. Anderson recommended changing the water letter to include a 6-month

expiration. They would not be able to do it retroactively, but they could have an expiration going forward. Brody agreed to adding language for a one-year warranty. He also thought they needed to draft language stating that regardless of when the property was purchased, the owner still needed to follow the current regulations of the Pine Meadow Mutual Water Company. Mr. Cylvick thought they should extend the \$2500 bond for meters purchased but not installed, for a minimum of 12 months after the meter installation.

Land Locked Property

Brody reported that an owner has insisted that he use the right-of-way across the well path to access his property behind it. He told the gentleman the Water Company did not want him doing that and he needed to come and talk to the Board about it. Brody stated that when the Water Company put in the culvert. Mr. Cylvick noted that the well has a 100' radius as source protection on that property that was recorded with Summit County. Mr. Anderson asked if the property owner could get an easement from the Water Company. Mr. Cylvick agreed that his property is landlocked, however, the owner needed to cross someone else's property to access his property.


Mr. Cylvick stated that he spoke with their attorney, Ted Barnes, and his law firm is addressing the issue. Mr. Anderson was interested in hearing Mr. Barnes' opinion. He understood that if a property is landlocked, the courts will usually require that they be given an easement. Mr. Cylvick explained that the Water Company does not own the land. They just have a 100' radius source protection easement. He pointed to other locations where the owner could access their property. Brody would not be opposed if the owner wanted to add on to the length of the culvert and make it wider for access, but currently, the access is too close to the well building, and if the owner does any snow plowing the exposed depth of the water lines are subject to certain damage. Mr. Cylvick agreed that the owner is responsible for solving his own problem with access. He will let the Board know when he hears back from Ted Barnes.

Morgan County | West Valley Vista Road

Mr. Cylvick stated that the owner who owns a parcel in Morgan County has placed No Trespassing signs and closed off the platted road at the border of the Pine Meadow Ranch | Summit County line. The HOA had graded and maintained the road for years. Pine Meadow Water has a water tank close to the property and Horrocks Engineers did not survey this area for the Pine Meadow Mutual Water Company Master Plan with the understanding that the HOA owned the parcel. Mr. Cylvick stated that Ted Barnes is reviewing the situation, and he is waiting for a response for a solution.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:36 p.m.

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Minutes Approved

10/12/23

Date