

PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, SEPTEMBER 12, 2024

SUMMIT COUNTY, UTAH

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

Ex-Officio: Trevor Townsend

Eric Cylvick called the meeting to order at 6:28 p.m.

Minutes

MOTION: Eric Cylvick moved to approve the Minutes of August 8, 2024, as written. George Sears seconded the motion.

VOTE: The motion passed unanimously.

Unpaid Bills

Trevor Townsend reviewed the unpaid bills. Badger Meter was for the endpoints for the meters. Clyde Snow Sessions was letter written to Mr. Pentz attorney and these were attorney fees. Trevor believed the letter was for the lot line issue at the tank. KGC Associates was Carol's invoice. Mountainland Supply invoice was for saddles for the meters. The Pine Meadow Mutual Capital Account were the two accounts they chose to continue funding after they met the required loan escrow. Rocky Mountain Power was the monthly power bill. Summit County Health Department was for two water samples as required every month. Summit County were the tax bills waiting for final property tax bills in October. Verizon Wireless were cellphones and desk phone. The two Utah State Division of Finance were the DDW loan payments.

MOTION: Eric Cylvick moved to approve paying the unpaid bills dated September 11, 2024, in the amount of \$34,926.63. Scott Smith seconded the motion.

VOTE: The motion passed unanimously.

Financials

The Board reviewed the profit and loss/budget versus actual.

Mr. Anderson wanted to know why they were 100% of the utility budget in September. Carol had sent him a screenshot of power bills that added up to the numbers shown. The numbers matched perfectly with the budget. Mr. Anderson recalled that the reason for creating separate utility lines was to see how much they spend on each. Mr. Cylvick pointed out that they were under budget by \$60,000. Mr. Sears stated that there was not an individual budget for each of the areas and there is only one line item for

all the utilities.

MOTION: Steve Anderson moved to approve the Profit and Loss/Budget versus Actual dated September 11, 2024. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

The Board reviewed the balance sheet. Mr. Anderson referred to the total assets and questioned how accumulated depreciation would show up on the Balance Sheet for September. Mr. Cylvick thought Carol may defer filing the taxes to September, which would explain why the 2023 depreciation was in the Fall.

MOTION: Steve Anderson moved to approve the Balance Sheet dated September 2024. Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Trevor reported that he and Brody have been doing meter installations.

Trevor stated that they were approved for the samples for the forever chemicals. The State will pay for the chemicals so there is no cost to the Water Company. Every water company in Summit County is required to do these chemical tests per a new federal regulation.

Trevor reported that there is a lot of construction going on before the end of the year and more meters are coming for those installations.

Mr. Cylvick reported on a letter he received from Joseph Pentz's attorney. Mr. Cylvick explained that historically, the HOA initially owned the lot just west of the 500,000-gallon tank and later sold it to purchase the road grader. The person they sold it to defaulted and the lot went up for a tax sale. Joseph Pentz purchased the lot for \$2500 at the tax sale. The property is a ten-acre lot in a forestry zoned area, which means the lot cannot be built on. The Water Company is not willing to provide water which renders it a dry, unbuildable lot. Mr. Pentz is trying to get money out of Elizabeth Ganz who owns the house next to the tank. Ms. Gann, lot PI-E—8, purchased the house with the driveway in place. The previous owner, Rich West, asked whether the Water Company would be willing to provide an easement across the Water Company property for the driveway. Mr. West drew up an easement; however, the driveway is not where the easement is recorded. Mr. Cylvick remarked that the question is where the Morgan County line is located because the section markers are off. The water tank is shown partially on the lot, which used to be owned by the HOA. He noted that if you purchase property at a tax sale, you buy the lot AS IS. At this point Mr. Pentz has no standing. Mr. Cylvick noted that Ted Barnes said that Mr. Pentz had assumed all encumbrance's, such as the water tank and the property carried no warranties. There is no problem for the Water Company. The problem lies with Elizabeth

Gann, and she needs to figure out a solution in order to sell the property because the Water Company will not move the water tank. Mr. Sears explained that the issue was exacerbated because the HOA has property on both sides, and they cannot do anything on the Morgan County side because it is designated as forest zoning.

Mr. Cylvick stated that Ted Barnes forwards him any correspondence he received from Mr. Pentz's attorney. Mr. Cylvick told Mr. Barnes not to give Mr. Pentz's attorney his contact information and if his attorney wants to pursue it further, he should come to a Water Board meeting.

Shaun Baker left the meeting.

Mr. Anderson recommended that next year they should do an inflation adjustment. It can be a smaller increase to avoid needing a larger increase in the future. Mr. Cylvick thought it was important to have a significant amount of money in the bank in case they ever needed to borrow money again. He noted that they were able to obtain the first two loans because they had approximately \$500,000 in the bank because they had raised rates prior to requesting the loans. Mr. Cylvick stated that Bowen Collins & Associates suggested that the Water Company engineer a facility and equipment replacement schedule, and he thought it might be something to invest in. Mr. Anderson thought it was a good idea to have a capital replacement plan and a reserve fund, so they are able to pay the replacement cost when something goes bad without asking for a special assessment. Mr. Cylvick agreed.

Mr. Sears noted that the State requires the HOA to do a capital reserve analysis every five years and update it at the three-year mark. A number of years ago they had no reserve, and they were unable to purchase equipment or do other important things.

Mr. Cylvick suggested looking into what Bowen Collins would charge to engineer a plan.

The Regular meeting of the Pine Meadow Mutual Water Company Board of Trustees adjourned at 7:18 p.m.

Minutes Approved

Date