

PINE MEADOW MUTUAL WATER COMPANY
BOARD OF TRUSTEES MEETING

THURSDAY, November 14, 2024
SUMMIT COUNTY, UTAH

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

Excused: George Sears

Ex-Officio: Brody Blonquist

Mr. Cylvick called the meeting to order at 6:34 P.M.

Minutes

MOTION: Steve Anderson moved to approve the regular Minutes of October 3rd, 2024, as written.

Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Financials

Mr. Cylvick inquired about the source of additional funds from the previous year. Steve Anderson identified \$170,000 in excess revenue. Brody added that part of the funds could stem from the \$2,500 bonds required by shareholders for new connections.

Steve Anderson observed that while the company was "in the red" on the profit and loss statement, the overall financial position remained stable due to sufficient cash reserves from collections. He noted areas of overspending in categories, such as legal and membership dues, but Mr. Cylvick reassured the Board that the discrepancies were manageable within the current budget.

MOTION: Steve Anderson motioned to approve the balance sheet.

Eric Cylvick seconded the motion.

VOTE: The motion passed unanimously.

Profit and Loss Exceed Budgeted Projections

Mr. Cylvick remarked that actual income significantly surpassed budgeted projections. Brody provided context, explaining that new water meter installations in 2024 —5 to 7 meters— were key contributors to the excess revenue. He also highlighted collections from overdue accounts as an unexpected source of additional income.

Mr. Anderson questioned a specific budgeted item labeled as "metered water income," budgeted at only \$50 but yielding \$15,000. Brody suggested this might reflect the past due accounts settled in 20024 from foreclosures or accounts from as far back as 2006. Mr. Cylvick confirmed that older Stand-by fees dating back to 2010 also contributed to the revenue.

Mr. Anderson sought clarification on various revenue categories:

- **Metered Water Income:** Brody explained it represents the base water fee (20,000 gallons), with higher-than-normal figures due to unexpected collections.
- **Excess Water Assessments:** Brody clarified that budgeted assessments were at \$79,000; however, they are lower due to adjustments in customer water use and efficiency improvements.

Mr. Anderson and Mr. Cylvick agreed that the excess revenues appeared to have accumulated from a combination of new hookups, old collections, and adjustments in billing practices.

Mr. Cylvick noted that he had no updates from Joseph Pentz, which interpreted as a positive sign.

Mr. Anderson highlighted that the actual expense of the water company was 65% of the budget, which deemed acceptable considering the fiscal year end was approaching. Brody estimated the overall spend rate to be around 80-85%, noting a natural slowdown in activity as the year concluded.

Scott Smith motioned to approve the profit and loss statement as compared to the budget. Shaun Baker seconded the motion.

VOTE: The Motion passed unanimously.

Unpaid Bills

Brody reviewed outstanding usual and customary invoices, including:

- Badger Meter (monthly fee for the meters)
- Delco Western (3-way solenoid valve for one of the pumps at Bobcat Springs that went out.
- Per Diems for Board member attendance.
- Hydro Specialty Company (currently holds credit because of returned items)
- KGC Associates, Inc. (Carol's monthly invoice)
- Pine Meadow Mutual Water Co (two transfers, one to the capital account, one to the water purchase account)
- Rocky Mountain Power (office, pump houses, wells)
- Utah State Division of Finance (two DDW loan payments)

- Verizon Enterprises (cell phone service)

Brody added two more invoices received on November 14th:

- \$619.57 for USA Blue Book (two fire hydrant repair kits)
- \$54 to Summit County (two months of water samples)
- Previously listed and added items culminated in a new total of **\$36,017.77**.

MOTION: Eric Cylvick moved to approve the unpaid bills totaling \$36,017.77 as of November 13, 2024.

Steve Anderson seconded.

VOTE: The motion passed unanimously.

Logo Design

Brody introduced updates on the progress of a company logo, mentioning that his wife was the designer creating graphical options for their logo. Brody noted that a specific design featuring a water drop selected as the final choice, and Mr. Cylvick acknowledged its placement, pointing out the central design elements.

Mr. Cylvick and Brody discussed minor adjustments to the design and changes to the representation of the trees. Brody agreed and noted that suggested design iterations would improve the final look.

Brody then mentioned the application of the logo on company vehicles. He described existing decals as small (approximately 5 inches by 5 inches) and placed on the front fender of the trucks. The group discussed whether to create additional stickers for broader visibility. However, Mr. Smith relayed feedback from insurance advisors, warning against vehicle stickers, as they might inadvertently attract unwanted attention or damage, such as intentional collisions potentially leading to fraudulent insurance claims. Mr. Cylvick supported this cautionary stance.

Bobcat Springs Repairs

Brody provided an update on the ongoing issues and repairs at Bobcat Springs. He explained that the pump house contains pump control valves designed to operate gradually. These valves open slowly as the pump ramps up and close slowly when the pump shuts down to prevent water hammering, a common issue that can damage pipes and systems.

Recently, the valves have been malfunctioning, causing significant operational inefficiencies. Brody detailed the troubleshooting process:

- Initially, Brody and Trevor suspected a faulty actuator valve but determined the issue lay deeper within the system.
- Upon disassembling the valve, they discovered that the brass collar, which stabilizes the valve's shaft, had worn out. While this component is meant to be included in standard rebuild kits, it was not in the rebuild kit requiring a separate purchase.

The defective brass collars caused water to seep through the valve when pumps were off, resulting in losses of 5–8 gallons per minute. This inefficiency led to tanks overflowing and water was undetected and wasted, as it flowed into nearby ditches. Brody described this as a major discovery for the month.

Mr. Cylvick and Mr. Anderson asked clarifying questions about the mechanics of the overflow. Brody explained that when the valve fails, residual system pressure forces water back through the valve into the tank. Without proper drains installed in the pump house, the excess water recycles into the tank until it overflows. The group discussed this inherent design flaw, noting that better drainage systems could have prevented such issues.

Brody stated that fixing the valves is critical to stopping this inefficiency and mentioned plans to rebuild another faulty valve exhibiting the same problem.

Damaged Fire Hydrant

Brody relayed a recent incident where a contractor jackknifed his truck had broken a fire hydrant. He informed the board that he had ordered replacement parts from USA Blue Book and they were expected to arrive within days. The cost will be deducted from the shareholder's \$2,500 bond held by the water company. Brody assured the Board that he and Trevor added notes to Ziptility to ensure this deduction was applied during the shareholder's final inspection.

Mr. Cylvick suggested leaving a reminder with Carol to ensure the bond deduction was not overlooked. Brody confirmed that steps were in place in Ziptility to prevent oversight.

Ziptility Updates

Brody highlighted improvements, specifically the use of Ziptility to record system details. He shared how they add notes to accounts during installations, such as cases where the water company had to provide parts like a plastic meter lid due to contractor negligence. These notes ensure to deduct the back charge costs from the shareholder's \$2500 bond during final inspections.

Trevor and Brody also use Ziptility to access shareholder-specific details like phone numbers and emails, reducing reliance on Carol. This streamlined communication allows for quicker resolutions and more efficient operations.

The board suggested preventative measures for fire hydrants, with Mr. Anderson suggesting the placement of protective boulders around vulnerable hydrants. Brody explained that the hydrant in question was located far off the road, making the damage more a result of the jackknifed truck's trajectory than poor placement. He assured the board that he had logged the contractor truck's details and job site information.

Brody shared updates on mapping and documenting water meter locations. He mentioned the use of photos and descriptions to log meter positions accurately in Ziptility. However, he noted areas, such as Elk Road and Alexander Canyon, still required offline updates due to limited internet service.

Preparation for Winter

Brody concluded his manager's report with an overview of winter preparations. Trevor and he had been checking heaters and ensuring operational readiness for the colder months. He expressed hope for snow accumulation soon, which would aid in meter insulation. Mr. Cylvick commended Brody's and Trevor's efforts and noted the thoroughness of their work.

2024 Elections

Shaun Baker and Steve Anderson ran unopposed as candidates. They each received a modest 34 votes each. They will continue in their current Board member roles.

Mr. Cylvick adjourned the Pine Meadow Mutual Water Company meeting at 7:01 PM.

Approved by



Date

12/12/24