

PINE MEADOW MUTUAL WATER COMPANY  
BOARD OF TRUSTEES MEETING

THURSDAY, January 9, 2025  
SUMMIT COUNTY, UTAH

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

Excused: George Sears and Scott Smith

Ex-Officio: Brody Blonquist

Mr. Cylvick called the meeting of the Pine Meadow Mutual Water Company to order at 6:30 P.M.

**Minutes**

**MOTION:** Eric Cylvick moved to approve the regular Minutes of December 12th, 2024, as written.

**Second:** Steve Anderson seconded the motion.

**Vote:** The motion passed unanimously.

**Financial Overview**

**MOTION:** Steve Anderson moved to approve the Balance Sheet.

**Second:** Eric Cylvick seconded the motion.

**Vote:** The motion passed unanimously.

**MOTION:** Eric Cylvick reviewed the **Profit & Loss Budget vs. Actual** report dated January 2025. After a brief discussion, he motioned for its approval.

**Second:** Shaun Baker seconded the motion.

**VOTE:** The motion passed unanimously.

**Unpaid Bills**

Brody Blonquist reviewed outstanding usual and customary invoices, including:

- **Badger Meter:** (monthly fee for the meters)
- **Per Diems:** (for Board member attendance)
- **Ferguson:** (five resetters)
- **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)

- **Mountain Regional** (water purchase 2024 of \$517.84)
- **Summit County Health** (two water samples)
- **Utah State Division of Finance:** (two DDW loan payments)

**MOTION:** Eric Cylvick moved to approve to pay the bills of \$34,318.47 as presented.

**Second:** Shaun Baker seconded the motion.

**Vote:** The motion passed unanimously.

**MOTION:** Eric Cylvick reviewed the Profit & Loss Budget vs. Actual report dated January 2025. After a brief discussion, he motioned for its approval.

**Second:** Shaun Baker seconded the motion.

**Vote:** The motion passed unanimously.

## **Manager's Report**

### **Truck Dump Bed Purchase**

Mr. Cylvick initiated a discussion regarding the purchase of a dump bed for the one-ton Dodge truck. Brody provided an update, stating that he had previously sent out bids for the project, in which one bid came back at \$13,427, rounding up to \$13,500. He explained that adding a dump bed would enhance operational efficiency, particularly during the winter months, when they frequently deal with water leaks and snowy road issues. Currently, when Brody and Trevor need a dump truck, they must remove from the HOA vehicle the sander and plow, making the process cumbersome.

Brody proposed that purchasing the dump bed would allow the community to be more self-sufficient. Additionally, he mentioned the possibility of selling the existing flatbed currently on the Dodge sometime in the spring, estimating a resale value between \$2,000 and \$2,500.

Mr. Anderson voiced concerns that a one-ton truck would only be able to carry about one yard of material, questioning whether the investment would be practical. Brody acknowledged that while the truck was small and required multiple trips for material transport, a larger vehicle would be difficult to maneuver in winter conditions. He emphasized that a four-wheel-drive option was necessary for snow-covered roads, and larger dump trucks were significantly more expensive, with used models costing between \$130,000 and \$145,000.

Mr. Anderson suggested looking into a two-ton or three-ton truck with a dump bed, but Brody pointed out that four-wheel-drive options in that category carried a significant premium, making them cost-prohibitive.

Mr. Anderson asked whether the current truck size was sufficient for the intended use or if there would be complaints about its capacity in the future. Brody explained that they had successfully borrowed the HOA's truck for similar tasks in the past, particularly for water leak repairs. He highlighted the difference between winter and summer operations, noting that during the summer, excavated material could often be reused, whereas, in winter, it was not feasible to simply backfill a hole due to frozen ground conditions.

Brody emphasized that his primary concern was safety. He expressed reservations about operating a larger dump truck in winter, even with chains, citing weight-related hazards. He noted that if a chain failed on an icy road, it could lead to dangerous accidents. He also considered the option of using a dump trailer but ruled it out, explaining that dump trailers were impractical for winter use and would likely sit unused for half the year.

**MOTION:** Eric Cylvick made a motion to approve the purchase and installation of a dump bed on the one-ton Dodge truck. The motion included selling the existing flatbed, with plans to list it on KSL and, if unsold by spring, move it to Oakley for additional sale opportunities.

- **Second:** Shaun Baker seconded the motion
- **Vote:** The motion passed unanimously.

### **Water Letter for Fire Department**

Brody introduced a concern regarding a water service letter previously granted to the fire department for a specific piece of property. He explained that the agreement had fallen apart between the HOA and the North Summit Fire Department, and Summit County now owned the land. Given that the water letter was originally intended exclusively for fire department use, Brody questioned whether the board should rescind the water letter since it was not attached to a private owner and the NSFD did not build a fire department.

The board discussed concerns over a property meant for a fire station that is now under Summit County's control. Mr. Cylvick stated that because the county failed to provide the promised fire station, NSFD has no right to retain water service under the unfulfilled purchase agreement, thereby releasing the water company from any obligation. Shaun Baker noted past HOA efforts to reclaim the land received no response. The original deal promised a fire station, but the HOA and community lost the land with nothing in return. Baker recalled the county acquired it from the HOA for \$15,000. Brody suggested rescinding the water letter. Mr. Cylvick offered to speak with county officials to resolve the issue.

### **Long-Term Agreement with Mountain Regional**

Mr. Cylvick introduced the topic of a recent meeting with Mountain Regional Water held on Tuesday to discuss a long-term agreement. Brody reported that Mountain Regional was very

receptive to the idea of a long-term partnership, emphasizing that their working relationship has been strong.

During the meeting, the board asked Andy, the Mountain Regional General Manager, about the length of the agreement, initially considering 10 or 20 years. Andy suggested extending it as far as possible, potentially up to 50 or even 99 years, pending review by the County Attorney. This agreement would not close the possibility of annexation, which could still be considered 10 to 15 years in the future.

One key point discussed was removing the existing cap on water usage. Currently, included in the agreement was a cap of 14.2 million gallons per year, but Mountain Regional suggested eliminating this limit. A rate study to determine the appropriate rate per 1,000 gallons of water usage was also proposed. Brody noted that transparency was a major advantage of this agreement, as it would provide clear insight into how water usage rates were calculated.

Mr. Cylvick cautioned that pumping costs could significantly increase rates, as water is expensive to move at higher elevations. Mr. Anderson acknowledged that past calculations had been favorable, but the elevation upcharge remains a key concern.

### **Water Supply and Expansion**

Mr. Cylvick discussed a proposal for Pine Meadow to supply water to a development near mile marker 28 bordering John Pease's estate. Mountain Regional had been approached for water but lacked the infrastructure to provide service.

Mountain Regional then approached the water company about wheeling water through their system. Mr. Cylvick noted that this could be financially beneficial, generating service fees to help reduce debt. Brody explained that Mountain Regional would pay Pine Meadow for access, while residents would become Mountain Regional customers.

If the small community is annexed into Mountain Regional, homeowners would pay infrastructure costs over 30 years. Mr. Cylvick suggested this could lead to a broader expansion strategy, allowing Pine Meadow Mutual Water Company to serve more communities and lower customer rates long-term.

The conversation shifted to financial implications, with Mr. Cylvick highlighting the potential for supplemental income from the agreement. He estimated that if Pine Meadow Mutual Water company could reduce its monthly debt payments of \$26,000, it could lower customer rates. Shaun Baker agreed, noting that rate reductions would be a major benefit to shareholders.

Mr. Cylvick suggested that expanding external revenue sources could accelerate the debt reduction process. Brody noted that wheeling water to the lots would require approximately 1,800 feet of new piping, and this was not significantly different from past infrastructure projects.

#### **Summary of Meeting with Mountain Regional and Next Steps**

Mr. Cylvick summarized the key takeaways from the Tuesday meeting with Mountain Regional. He emphasized that Pine Meadow would only consider providing water to the small community if a long-term water plan was secured. Mountain Regional was eager to finalize the agreement and proposed eliminating annual usage limits, which Pine Meadow Mutual Water Company found beneficial.

Mr. Cylvick noted that the current contract only specified payments the water company owed to Mountain Regional, but did not clarify the compensation Pine Meadow should receive for wheeling water through its system. He recommended reviewing the contract to ensure equitable payments would be received.

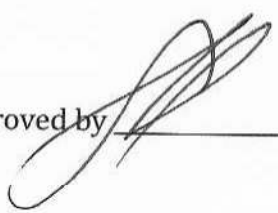
Brody agreed that the water company should remain open to discussion, as Mountain Regional had previously helped their community in a similar situation. He emphasized that PMMWC would not be producing the water, only facilitating its distribution.

Mr. Cylvick concluded that securing supplemental income through external agreements could significantly reduce debt and lower customer rates over time.

Mr. Cylvick adjourned the Pine Meadow Mutual Water Company meeting at 7:12 PM.

Approved by \_\_\_\_\_

Date \_\_\_\_\_

  
4/10/25