



PINE MEADOW MUTUAL WATER COMPANY
BOARD OF TRUSTEES MEETING

THURSDAY, July 10, 2025
SUMMIT COUNTY, UTAH

Approved
September 18, 2025
as written

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

Excused: Steve Anderson

Guests: Craig Peet, PI-E-61

Richard Welch, FM-B-31

David & Sheila Noe, FM-B-32

Ex-Officio: Brody Blonquist

Mr. Cylvick called the meeting of the Pine Meadow Mutual Water Company to order at 6:36 P.M.

Minutes

MOTION: Eric Cylvick moved to approve the regular Minutes of June 12 , 2025, as written.

Second: Scott Smith seconded the motion.

Vote: The motion passed unanimously.

Financial Overview

Unpaid Bills

Brody Blonquist reviewed outstanding usual and customary invoices, including:

- **Badger Meter:** (monthly fee for the meters)
- **Hydro Specialties** (replaced cables, from mice getting into equipment)
- **ID Electric** (new VFD down at Tollgate Well)
- **KGC Associates, Inc.:** (Carol's monthly invoice)
- **Mountainland Supply** (parts)
- **Pine Meadow Mutual Water Co:** (two transfers, one to the capital account, one to the water purchase account)
- **Rocky Mountain Power** (monthly power bill)
- **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 \$40,492 as presented.

Second: George Sears seconded the motion.

Vote: The motion passed unanimously.

Eric Cylvick reviewed the **Profit & Loss Budget vs. Actual** report dated July 9th, 2025 and noted the internet expense went up. Brody explained that the contract for web service increased but the water company does not incur an expense for internet service.

Mr. Cylvick also asked how many meter installations Brody was planning this year. Brody explained that there would be 3 to 5 this year which was considerably less than previous years. After a brief discussion,

MOTION: Eric Cylvick made a motioned to approve the Profit and Loss.

Second: George Sears seconded the motion.

Vote: The motion passed unanimously.

Eric Cylvick reviewed the **Balance Sheet** report dated July 9th, 2025. He noted most of the funds were in high yield CD's and Money Markets showed good interest.

MOTION: Scott Smith motioned to approve the Balance Sheet.

Second: Shaun Baker seconded the motion.

Vote: The motion passed unanimously.

Fire Hydrant Policy and Procedure

Mr. Cylvick introduced a document developed in coordination with engineers, following the same structure used by Mountain Regional for customer-installed hydrants. This was part of the board's effort to ensure a consistent and enforceable process.

- The hydrant installation must be performed via **hot tap**.
- A **licensed contractor** is required to perform the work.
- The hydrant must deliver **1,000 gallons per minute**, verified through engineering review.

Clarification from Fire Marshal

Brody described his meeting with the **North Summit Fire District**, where he clarified confusion around fire code requirements. It was confirmed that variances are available for properties beyond the 600-foot limit due to the quality of the local water system. These variances impact the need for residential sprinkler systems in the **Urban Wildland Interface** zone.

- Variances are being granted based on PMW strong water system performance.
- Sprinkler requirements can be waived if a hydrant is practical and water flow is sufficient.
- This opens a path for more flexible fire suppression strategies in the district.

Engineering Requirements

The board agreed that engineering approval would be the first formal step in the hydrant process. Brody emphasized that although the system likely meets flow standards, engineering validation is required to ensure compliance.

- A **\$200 engineering fee** is the initial cost.
- If the hydrant fails engineering review, the entire installation cost (\$19,620) is refunded, minus the \$200 fee.

Once installed, hydrants will be treated as PMW system assets. While the customer pays for installation, the water company assumes ownership and maintenance after installation.

- The hydrant becomes PMW infrastructure once installed and inspected.

Application Packet and Coordination

An application process has been formalized, with Carol handling documentation. Brody included language that protects the water company from relocation disputes after the hydrant is placed.

- On-site meetings will determine the exact location.
- The site must be mutually agreed upon and staked before work begins.
- Customers cannot request relocation after the installation is complete.

Placement and Contractor Options

In order to maintain adequate water pressure and effective flow rates, Brody established a guideline that hydrants must be spaced no less than 500 feet apart. Two contractor options were provided, with an owner confirmation for the lower-cost option.

- **Option #1** is \$22,770.
- **Option #2** is less expensive at \$19,620 and preferred by the shareholder.
- Final contractor choice is left to the customer.
- Spacing rules follow state infrastructure standards.

Brody reiterated that applicants will not lose their full investment if the hydrant location fails to meet engineering criteria.

- Refund policy: All funds except the \$200 fee are returned if flow requirements are not met.

The contractor for **Option #2** was available within a few weeks. Brody noted that even before installation, a letter of guarantee from him (following engineering approval) may satisfy the county permit office for limited construction activities.

- Engineering approval can trigger permit letters before physical installation.
- Customers cannot begin framing or using combustible materials on-site until suppression is assured.
- A temporary workaround may involve a 5,000-gallon underground tank if needed.

Brody promised to handle the process efficiently and avoid delays. He assured the board that hydrant requests will be managed with urgency and transparency.

- Process will be prioritized and actively managed.
- Shareholders will be updated throughout.

MOTION: Mr. Cylvick moved to approve the fire hydrant application and installation process, which had been circulated and reviewed by the board.

Second: The motion was seconded by Scott Smith.

VOTE: The motion passed unanimously.

Manager's Report

Brody reported that Uncle Tom's Well appeared to have a significant issue, likely a hole in the pumping pipe. He described an abnormal performance drop, suggesting either the well took a 50% production hit or a physical leak had occurred. Brody strongly believed it was the latter and recommended immediate action. Regardless of the outcome, he proposed replacing both the pump and motor, which had been in service for eight years, to avoid future failures.

He received a verbal quote from Robert at Armstrong Drilling estimating \$20,000 for pulling the system, replacing the motor, and pipe replacement if needed. Brody explained the water rises to about 100 feet above the pump, so only 100 feet of pipe might require replacement. The well itself is 700 feet deep, consisting of 400 feet galvanized and 300 feet PVC pipe.

MOTION: Mr. Cylvick moved to hire Armstrong Drilling for the replacement of the pump, motor, and pipe at Uncle Tom's Well for an estimated cost of **\$20,000**.

Second: The motion was seconded by Scott Smith.

VOTE: The motion passed unanimously.

Outdoor Water Use Fine Policy

Brody noted the Water Company had never formally set a fine structure for unauthorized outside water use, despite state requirements for conservation due to limited resources. He proposed two options: a tiered fine structure (\$100 → \$250 → \$500), or a flat \$250 fine per violation.

Mr. Sears recommended starting at \$250 and doubling if unpaid within 30 days, stating that \$100 fines were ineffective. Brody suggested offering a \$100 water bill credit to the reporting party, effectively making the fine revenue split between enforcement and deterrence.

The board agreed on the flat \$250 fine with escalation.

MOTION: Mr. Cylvick moved to set a \$250 fine for outside water use violations, escalating to \$500 if not paid within 30 days.

Second: The motion was seconded by Scott Smith.

VOTE: The motion passed unanimously.

Mountain Regional Water Credit Update

Brody updated that Mountain Regional Water still owed the PMW 33,000 gallons of water, indicating they were not yet in deficit. Weekly pumping had resumed to address recent issues with failing pumps. No action required; informational only.

Replacement of Colorado Truck

Brody proposed replacing the aging Chevy Colorado, which required five quarts of oil every six weeks and struggled with basic performance tasks. He stated the truck's trade-in value was estimated at \$3,500, and he had located four used Ford Rangers (2020 models) priced between \$30,000 and \$33,000.

Brody also relayed that Trevor may defer his \$6,000 annual auto allowance in favor of driving the company truck, presenting a cost-saving opportunity. Mr. Cylvick and others supported the cost-effective trade-in approach and quick action.

MOTION: Mr. Cylvick moved to trade in the Colorado and authorize the purchase of a used Ford Ranger for up to \$35,000.

Second: The motion was seconded by George Sears.

VOTE: The motion passed unanimously.

Joseph Pence (Morgan County)

Mr. Cylvick discussed the ongoing conflict with Joseph Pence, who had allegedly blocked access to a water tank partially situated on his property and harassed a neighboring property owner, PI-E-8. She had incurred approximately \$11,000–\$12,000 in legal fees due to the dispute. Mr. Pence sought a water hookup in exchange for granting an easement—an offer the board firmly rejected.

Three options were outlined:

Option #1:

1. Mr. Pence pays all PMRHOA back dues since property acquisition (~2012),
2. PI-E-8's legal fees without receiving a water hookup.

Option #2: PMW buys back the 10-acre parcel from Pence for \$10,000.

Option #3: PMW files a lawsuit if no resolution is received within 30 days.

The board expressed support for this position; no motion required, pending Mr. Pence's response.

Long-Term Water Agreement (Memorandum of Agreement)

Mr. Cylvick introduced the updated **Memorandum of Agreement (MOA)** with Mountain Regional regarding long-term water supply. He expressed concern that the initial draft from Mountain Regional was deficient, particularly in its limited 10-year term and its failure to include language guaranteeing water "in perpetuity." This conflicted with a **2022 Memorandum of Understanding (MOU)** signed by both parties, which stated that Mountain Regional must either annex PMW or supply water indefinitely.

- The original draft proposed a 10-year term from July 1, 2025, to June 30, 2035, requiring renegotiation after expiration.
- PMW's revision extends the agreement to 20 years, with automatic 20-year renewals, unless annexation occurs.
- The 2022 MOU explicitly required either annexation or perpetual water service, which the current MOA lacked until the revision.

Water Exchange with Stagecoach

Brody and Mr. Cylvick discussed the operational relationship between Pine Meadow and Stagecoach. Mountain Regional pumps water to Pine Meadow, which stores it in tanks. Occasionally, water is pumped back to Stagecoach from Pine Meadow.

- There is no charge for pumping or storage between the two entities.
- Mr. Cylvick acknowledged the mutual benefit but questioned whether PMW should be compensated for water storage since infrastructure costs are not trivial.
- However, he concluded the current balance of exchange is fair, as both storage and pumping costs offset each other.

Emergency Water Capacity and Fire Suppression

Mr. Cylvick emphasized the need to include a clause in the MOA that requires Mountain Regional to provide maximum available water during wildfire emergencies. This language was added to the revised document.

- He insisted that emergency supply should be prioritized “**regardless of regular delivery terms.**”

Brody noted that he had contacted Mountain Regional to request a pump test simulating emergency conditions. On paper, the system allows 500 gallons per minute, but Brody wanted to verify actual capabilities, noting it could be as low as 325 GPM or as high as 525 GPM in real conditions.

Growth Projections and Required Flow Rates

Mr. Cylvick raised concern over annual growth projections, noting a 5% year-over-year increase. He emphasized the importance of confirming:

- That Mountain Regional can provide 150 GPM at build-out.
- A long-term supply of approximately 79 million gallons per year would be necessary to meet future demand.

Brody agreed to follow up with **Bowen Collins**, the engineering firm, for a formal letter or email confirming flow capacity.

The board discussed the pace of development. Mr. Cylvick calculated that reaching full build-out (roughly 300 additional lots) could take about 20 years, equating to an average of 15 new homes per year.

- The community currently has approximately 205 full-time residents.
- Not all additional lots will result in full-time use, so actual water usage may vary.
- The group acknowledged the need to base projections on current data and assumptions, excluding future subdivisions or zoning changes.

Mr. Cylvick voiced an urgency to finalize the MOA quickly, warning that delays could result in unforeseen complications. He proposed sending the final version to board members for approval within the next week, then submitting it to Mountain Regional.

- The board agreed to move forward without delay.
- Mr. Cylvick committed to completing necessary calculations and revisions to ensure the agreement reflects long-term needs.

Brody noted his 23-year anniversary with the Pine Meadow Mutual Water Company.

Mr. Cylvick adjourned the Pine Meadow Mutual Water Company meeting at 7:36 PM.

Approved by _____

Date _____

9/18/25