PINE MEADOW MUTUAL WATER COMPANY
BOARD OF TRUSTEES MEETING

Approved
October 2, 2025
as written

THURSDAY, September 18, 2025
SUMMIT COUNTY, UTAH

Board Members in Attendance: Eric Cylvick, Scott Smith, Shaun Baker, George Sears, Steve Anderson, Scott Smith joined the meeting at 6:38 P.M.

Ex-Officio: Brody Blonquist

Mr. Cylvick called the meeting of the Pine Meadow Mutual Water Company to order at 6:35 P.M.

Minutes
The Board reviewed the minutes dated Thursday, July 10, 2025. Mr. Cylvick asked for any questions or changes, and none were raised. He then made a motion to approve the minutes.

MOTION: Eric Cylvick moved to approve the regular Minutes of July 10, 2025, as written.

> **Second**: Shaun Baker 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)
- **Clyde Snow & Sessions** (legal fees for reviewing the long-term water agreement with Mountain Regional)
- **ID Electric** (replacement touchscreen panel 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)
- **Verizon Wireless** (communications

MOTION: Mr. Cylvick made a motion to approve unpaid bills totaling **$42,940.44** as of September 17, 2025.

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Second: Steve Anderson seconded the motion.
Vote: The motion passed unanimously.

Eric Cylvick reviewed the Balance Sheet report dated September 17, 2025. The board reviewed the Balance Sheet and noted that the company appeared to be $257,000 ahead of last year at this time. At first glance, it seemed like a large surplus, but after discussion, it became clear that most of the difference was due to unspent budgeted items and added interest income, rather than unexpected new revenue.

Key points from the review included:

- **Income:** Revenue is only about $20,000 ahead of budget.
- **Unspent Allocations:**
  - **$20,000** budgeted for Mountain Regional water purchases – with 250,000 gallons used, only **$1,000** spent so far.
  - **$70,000** set aside for telemetry system upgrades – panels not yet delivered, and this expense may be pushed to 2026.
  - **$100,000** for payroll and employee health insurance – these cover through December.
  - **$20,000** legal reserve – no expense to date.
- **Interest Income:** About **$**75,000 earned in interest across accounts.

Mr. Anderson noted the surplus reflected the timing of expenses that have not yet been paid out, plus interest in earnings, rather than a major increase in income. The board confirmed that once these projects and obligations are completed, the numbers will align more closely with the budget.

MOTION: Steve Anderson motioned to approve the Balance Sheet.

Second: Eric Cylvick seconded the motion.
Vote: The motion passed unanimously.

The Board compared current and prior year figures. Mr. Cylvick highlighted a difference of $257,000, largely due to increased operations income ($530,000 this year vs. $350,000 last year) and approximately $75,000 in interest income. Unspent items contributed to the surplus, including:

- **$20,000 budgeted for Mountain Regional water purchase** (only $1,000 spent to date).
- **$70,000 for telemetry system improvements** (panels still being built, unspent).
- **$100,000 payroll/insurance allocation**, likely budgeted through year-end.
- **$20,000 legal reserve** (unused).

The Board discussed how income was only about $20,000 ahead of budget, but expenses had not yet been realized. Mr. Anderson pointed out the net position was $390,000 ahead, compared to a projected year-end deficit of $76,000.

MOTION: Mr. Anderson made a motion to approve the profit and loss budget vs. actual.

> **Second**: Eric Cylvick seconded the motion.
> **Vote**: The motion passed unanimously.

Manager's Report
Brody reported that overall operations were going well as preparations continued for winter. He noted that Uncle Tom's Well remained unproductive, with output declining further. To compensate, Pine Meadow had been receiving water from Mountain Regional once per week, on Sunday nights, with the supply lasting until their pumps came back online on Monday.

Brody also explained he had purchased a new computer because the old computer continually froze. The order was placed through SKM, the company handling the system's telemetry, since they could pre-program all necessary telemetry functions into the replacement machine. Once installed, SKM would also inspect the old unit to diagnose the issues. The new computer was expected to arrive the following day and be set up on Monday.

Mr. Cylvick asked who SKM was, and Brody clarified their role as the telemetry provider. Mr. Anderson asked if the purchase had to go through SKM; Brody replied that it was not required, but easier given the telemetry setup.

Long-Term Water Agreement (Memorandum of Agreement)
Mr. Cylvick updated Scott Smith on the earlier meeting with Mountain Regional. He explained that he had proposed a 20-year long-term water contract with auto-renewal, but Dave Thomas, Summit County Attorney representing Mountain Regional, recommended instead a five-year auto-renewal structure. Under this model, the base contract would remain unchanged, but an appendix would be updated every five years to specify:

- **Wholesale water rates** (adjusted if they rise, e.g., $5 per thousand gallons).
- **Projected volumes** requested (e.g., this year PMMW requested 15 million gallons but had only used 250,000 gallons so far).

Mr. Cylvick noted that Mountain Regional wanted five-year updates because other customers reserving 129 gallons per minute were already paying whether they used the water or not.

Brody confirmed that this interpretation was correct.

Mr. Anderson emphasized that the critical piece of the contract was to pay only for actual usage, not reserved water rights, and that clause must remain unchanged. Brody calculated that if Pine Meadow were to purchase 15 million gallons outright at the current rate, it would cost $160,000 annually, a cost they wanted to avoid.

George Sears recommended adding legal language requiring "reasonable efforts" by both parties to agree on the updated schedules, ensuring fairness and preventing leverage tactics during renewals. He stressed this would protect PMMW in future decades.

Board Perspectives on Renewal and Commitments

Mr. Anderson questioned the need for an auto-renewal on the contract itself, suggesting the agreement remain perpetual, while only the schedules (rates and volumes) would be renewed or revised. George Sears agreed, but added that if Mountain Regional refused, the "reasonable efforts" clause would safeguard Pine Meadow Mutual Water (PMMW).

Scott Smith commented that Mountain Regional's caution reflected their responsibility to manage water supply across multiple communities. Mr. Cylvick noted potential future demands from nearby developments such as Red Hawk, Black Hawk, and Blue Sky Ranch, all of which may approach for water. He reiterated PMMW's stance: Mountain Regional must allot 129 gallons per minute for PMMW's future, but payment should be for usage only.

George Sears reminded the group that Mountain Regional feared being forced to provide the entire 129 GPM immediately, even if PMMW didn't yet need it. Mr. Cylvick rejected that interpretation, clarifying that the request was for 20 years out, not immediate delivery. Mr. Anderson pointed out that 129 GPM was insignificant to Mountain Regional, a volume they could lose daily through normal system leaks.

Mr. Cylvick roughly calculated that 129 GPM translated to about 80 million gallons annually.

Mr. Cylvick adjourned the Pine Meadow Mutual Water Company meeting at 6:55 PM.

Approved by ______________________ Date 10/2/25