PINE MEADOW MUTUAL WATER COMPANY

BOARD OF TRUSTEES MEETING

THURSDAY, February 12, 2026

SUMMIT COUNTY, UTAH

Approved
March 12, 2026
as corrected

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

Ex-Officio: Brody Blonquist, Water System Manager

Excused: George Sears

Guests: None

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

Minutes

Mr. Cylvick asked whether anyone had read the minutes dated Thursday, November 13, 2025. Brody commented that the minutes were from a while ago, and Mr. Anderson agreed that it had been a long time. Mr. Cylvick asked if there were any questions, comments, or changes. Brody stated that Carol had asked the board to ratify the November minutes at the February 12 meeting for the record.

MOTION: Steve Anderson moved to ratify the electronic approval of the regular Minutes of November 13th, 2025, as written.

> **SECOND**: The motion was seconded by Eric Cylvick.
> **VOTE**: The motion was approved unanimously.

Balance Sheet Review

The board turned to the balance sheet. Mr. Cylvick stated that the association had quite a bit more money in the bank than at the same time the prior year, citing approximately $156,157. He believed some of the increase was due to bank interest payments the association had earned. Mr. Anderson remarked positively on the improved position. Mr. Cylvick then moved to approve the balance sheet and prior year comparison as of February 11, 2026. Shaun Baker seconded, and the motion passed unanimously.

MOTION: Eric Cylvick moved to approve the balance sheet and prior year comparison as of February 11, 2026.

> **SECOND:** The motion was seconded by Shaun Baker.
> **VOTE:** The motion was approved unanimously.

Financial Report

Brody reported that revenue collections were performing very well, considering the association was only two months into the year. Mr. Anderson asked how many charges had not come through the prior year. Brody responded that, at the end of 2025, the budget assumptions for meter, standby, and excess categories had not been off by much, listing budgeted amounts of $3,000 for meter, $2,000 for standby, and $3,000 for excess. Mr. Cylvick and Mr. Anderson discussed the fiscal year transition and confirmed that financial reporting is now aligned with the calendar year, even though meter readings still cover Fiscal October, November, and December through September.

Mr. Anderson then focused on the water system utility line item and asked for a reminder on production levels at each well. Brody explained in detail that the Contact well was no longer used because it only produced about 3 gallons per minute, making it not worth the power required to run it; he stated that its visible power bill was essentially for the heater. He said Uncle Tom's well was producing about 15 gallons per minute, the lower Tollgate well averaged 6 to 7 gallons per minute, the Tollgate well was also around 6 to 7 gallons per minute, and the Oil Well and Bobcat functioned as boosters, while the 200K and 500K facilities were tanks. Mr. Anderson concluded that the association was paying roughly $32,000 per year in power costs to run its wells and boosters.

MOTION: Steve Anderson moved to approve the Profit & Loss Budget vs. Actual report.

SECOND: The motion was seconded by Eric Cylvick.
VOTE: The motion was approved unanimously.

Unpaid Bills

Mr. Cylvick reviewed certain payments and stated that the $2,000 and $1,856 payments were going to the capital reserve fund. Brody added that the Public Health Department charge covered two months' worth, or two samples, for January. He also stated that the Utah State Division charge related to the association's loans and that White's Auto Parts Credit entry was still not fully understood, as management was not yet 100% sure where it originated.

Costs specifically mentioned:

- Capital reserve fund payments: **$2,000** and **$1,856**
- **KGC Associates Inc:** Carol's invoice for office services
- **Summit County Health:** $54 for 2 samples.
- **Division of Drinking Water:** 2 Monthly Loan Payments
- Unpaid bills total: **$35,558.63**

MOTION: Eric Cylvick moved to approve the unpaid bills as of February 11, 2026, for **$35,558.63**.

SECOND: The motion was seconded by Scott Smith.
VOTE: The motion was approved unanimously.

Manager's Report

Brody began the manager's report by stating that the board had already received his email and that the system's wells were simply not producing adequately. He reported that usage had increased significantly during the mild winter. He compared current weekly ranch-wide usage of approximately 120,000 gallons per week, sometimes expected to rise to 130,000 to 135,000 gallons around holiday weekends, against prior-year winter levels of about 85,000 to 90,000 gallons per week and holiday usage around 95,000 to 100,000 gallons per week. He emphasized that the system was averaging 30,000 to 35,000 gallons more per week than the same period the previous year.

Mr. Cylvick initially asked whether the 120,000-gallon figure was per day, and Brody clarified that it was per week. Brody said the wells were not producing as they should and that he knew of at least one small leak. He believed a frost plate most likely froze and cracked in November or December and said the association would not know exactly where the water was going until staff could begin opening meter lids and checking locations more closely. He described a previous freeze break discovered in Alexander Canyon when a meter lid had been left off, causing water to run into the ditch until the line was shut off. He suspected a similar event was occurring off the 500-gallon tank, likely because a meter lid had been left off, the meter froze, and the frost plate broke.

Brody explained that finding leaks had become much harder because the ranch now had many more full-time occupants and rental cabins, making daytime shutoff testing less reliable than in prior years. He stated that older methods were becoming less effective, especially when looking for leaks of only 6 to 7 gallons per minute. Shaun Baker asked technical questions about frost plates and whether they were located before the meter, and Brody explained that frost plate breaks often did not register through the meter unless there was enough flow, sometimes 25 to 30 gallons per minute, to trigger movement and set off an alarm. Smaller failures of 6 to 7 gallons per minute could go undetected.

Mr. Anderson asked whether the issue was likely one leak or several smaller leaks. Brody said he believed it was one leak because the issue appeared to begin all at once, although he admitted it could also be multiple small frost plate failures. He said his years of experience told

him it was a frost plate problem because of the winter pattern: severe cold, snow, and then a melt-off, which he thought was when the break likely occurred.

Short-Term Rentals and Impact on Water Use

Shaun Baker and Mr. Cylvick discussed whether warmer weather and easier road access had increased occupancy on the ranch. Mr. Cylvick said there were clearly more people on the ranch because, until the latest storm, they had been able to drive nearly everywhere. Brody said he had seen five cabins switch to Airbnb or VRBO in that year alone, and he believed short-term rentals were contributing significantly to higher water use.

Brody said that on Mondays, the system's "top 10 users" list almost always showed that the top five users were Airbnb or VRBO properties, with usage often around 5,000 gallons. Shaun Baker said he and Carol had counted 34 rentals the prior year. Landon Richie managed around 20 or 21 of them. The discussion reflected a growing belief that increasing short-term rental activity, combined with more accessible roads during mild winter conditions, had materially raised system demand.

Water Supply Strategy: Willow Stick Proposal

Brody shifted the conversation toward long-term supply strategy. He said that because the wells were producing only a maximum of around 28 gallons per minute, he had started researching whether the water company should try to locate new groundwater sources. He had spoken with Robert Armstrong, a local driller, and had continued researching a company called Willow Stick. Brody said he had sent Willow Stick parcels he believed were good target properties because they would be easier to connect to the existing water system. Willow Stick returned a quote of about $18,500.

Brody said he then researched the company's technology, spoke with people who had used the company successfully, and with some who had used it but felt the results were not as strong as expected. In one case, a company had said the result "wasn't great," but Brody noted that even that "disappointing" result had been 250 to 300 gallons per minute, which he said would be extraordinary for the PMW's purposes. Brody also described a Tooele-area example in which a separate Oklahoma company and Willow Stick independently marked almost the same drilling location, reportedly within about 2 feet of one another. He said that gave him some reassurance that the process was not simply guesswork.

He told the board that Willow Stick's owner had said the company could work in snow, but Brody preferred to wait until the snow was gone to avoid any impediments to the survey. He proposed having the company evaluate the selected parcels after snowmelt, produce a report, and then use that information to determine whether further drilling investment made sense.

Geological Debate, Depth, Formation, and Cost Considerations

The board then engaged in an extended technical and strategic discussion about groundwater conditions, geology, and economics. Mr. Anderson summarized the concept as spending around $20,000 for an evaluation of the four outlined lots that would identify likely cavities, formations, and water-bearing zones, with a report produced in about four weeks. Brody confirmed that timeline, explaining the process as roughly two weeks of field work followed by two weeks of reporting.

Shaun Baker and Mr. Anderson discussed typical well depths. Brody said many wells peaked around 500 feet, while Shaun noted that some could go much deeper. Mr. Anderson referred to geological mapping and said the upper elevations contained a tight volcanic clay layer, making production less likely there, while lower canyon sandstone and conglomerate formations might offer better potential. Mr. Cylvick noted that the proposed $18,500 scope included several sites: the meadow past his house, the Moss cabin area, the airstrip, and the 10-acre parcel by the freeway.

Scott Smith questioned the cost implications if water were found near the freeway, especially the cost of pumping it uphill. Mr. Cylvick and Mr. Anderson acknowledged that pumping from lower elevations would be expensive, but they also recognized that the chances of finding usable water might be better there. Brody noted that one disadvantage of the upper site near Mr. Cylvick's property was the lack of nearby well records, whereas lower properties were closer to known productive zones.

Scott Smith also relayed feedback from a friend, who reportedly had not had good luck with Willow Stick and who mentioned another company, Rockfish from Oklahoma, with a much higher price of about $75,000, but reportedly better success. Scott described Willow Stick as inexpensive and "likely better than a witch dowser," but he relayed that the formation in the area was heavily faulted and challenging. Brody asked whether the friend was a hydrogeologist and noted that the same sort of uncertainty had existed with other experts as well.

Nearby Wells, Productive Formations, and Lessons from Prior Drilling

Mr. Cylvick, Brody, and Mr. Anderson reviewed nearby successful wells and prior drill logs. Mr. Cylvick described a nearby well that reportedly produced 500 gallons per minute, located about halfway up from the bottom of Tollgate Canyon. He said that the well had gone to about 1,000 feet, with a gravel layer encountered around 573 feet. Mr. Anderson believed the driller had passed through conglomerate and into a sandstone layer, which he thought was likely the productive formation.

Brody displayed well-drilled reports and logs on the screen. The group discussed the relationship between elevation and target formation depth. They compared successful wells near the freeway and at the Promontory gatehouse. Brody stated that the Promontory gatehouse well was about 500 feet deep and reportedly produced around 600 gallons per minute. They also discussed a residential well near the freeway, identified as Kim Klopp's old well, which was finished at 290 feet and produced around 30 gallons per minute—adequate for residential use, but not for the water system's needed capacity.

The board also revisited one of the PMW's previous wells. Brody pointed out that, during earlier drilling, they had encountered what looked like 160 gallons per minute in brown and gray sandstone, but later realized that the flow was ditch water entering the bore during spring drilling. Once a 100-foot surface seal was installed, the water was gone. *Mr. Blonquist* concluded that they had accidentally sealed off shallow ditch water rather than a reliable formation source.

This segment showed that the board's strategy discussion centered on balancing geological theory, field history, and cost. The argument was not personal but technical: whether to search high on the ranch for a potentially cheaper connection or lower near the freeway, where geological odds might be better, but infrastructure would cost far more. The strategy that emerged was to reduce uncertainty first through the Willow Stick survey, then decide whether any drilling investment was justified.

Cost Comparison and Strategic Framing

Mr. Cylvick broke down the Willow Stick proposal conceptually and estimated that if the total package was about $18,000, each target area would effectively cost around $4,000 to $5,000, with one upper parcel perhaps costing only $3,500 to $4,000 to evaluate. He argued that even if the parcel past his house was a long shot, it could still be worth evaluating because, if water were found there, PMW could avoid potentially $100,000 to $200,000 in pump station, line, and infrastructure costs. His view was that spending a few thousand dollars to rule the site in or out was worthwhile because the upside was substantial.

Scott Smith later estimated the cost of running a water line uphill from the bottom could be about $150 per foot, and over roughly 10,000 feet, that could mean approximately $1.5 million. That estimate underscored how expensive the lower-option infrastructure might become. Mr. Cylvick agreed that such a project could make for a very expensive water source. Brody recommended spending about $20,000 on a survey for better data before investing $200,000 to $250,000 in a temporary exploratory well.

The central strategy to address the debate: spend a comparatively modest amount to evaluate all likely parcels, gather hard information, and only then decide whether to commit to

expensive drilling or infrastructure. The board's approach was to control risk in phases rather than jump directly into a six-figure or seven-figure project.

Buying Water versus Finding Water

Mr. Cylvick said the water company needed to think of Mountain Regional as a source, but not as an operator that would annex or take over the system. He said Mountain Regional did not want to come up the hill or assume management responsibilities and had not even returned edits on a long-term water agreement. Mr. Anderson said he did not see the board's operating position as much different whether PMW bought water or found water, since either way it would still have to manage the system. Mr. Cylvick countered that finding water at the bottom of the canyon would still create a difficult pumping challenge.

Brody agreed with much of that but admitted personally that the situation made him feel as though he had failed at his job. He said the water company had bought water in the past during leak situations, but had always found and fixed the problem. He was concerned that they were now moving backward because the wells themselves were deteriorating. He warned that if the wells were already producing only 26 gallons per minute, by July, they might be down to 18 gallons per minute. Mr. Anderson said the problem might be a bigger crisis than the board yet appreciated because the basin was small, drought was persistent, and each year conditions were worsening rather than improving.

Consensus to Explore All Sites

Mr. Cylvick argued that because the mobilization cost would already be covered if the company came to the ranch, PMW should evaluate all the candidate sites rather than only one or two. He emphasized that if the lower sites showed promise, the board would at least know it had found a source and could then shift the conversation from "where is water?" to "how do we fund and build access to it?" He mentioned possible future questions about grants for infrastructure costs, but he believed finding water first would be the critical threshold.

Brody stated that, in his opinion, the best chances were the freeway parcel and Don Moss's ponds because those sites seemed most likely to hold water and could potentially connect more directly into the system. Mr. Anderson agreed that the evaluation should proceed.

Final Approval of Willow Stick Survey

As the meeting concluded, Brody suggested adjourning, but the board first formalized the decision. Mr. Anderson noted that the bundled cost for surveying all parcels together was $19,100. The group agreed to authorize the work for up to $20,000 to allow flexibility within the quoted range.

Costs discussed in this approval:

- Initial quote reference: **about $18,500**
- Bundled total discussed: **$19,100**
- Approved authorization: **up to $20,000**

MOTION: Eric Cylvick made the motion to approve hiring Willow Stick to survey several HOA/PMW properties with ground-penetrating LIDAR for up to $20,000.

SECOND: The motion was seconded by Scott Smith
VOTE: The motion passed unanimously.

The Pine Meadow Mutual Water Company's regular board meeting adjourned at 7:30 PM.

Approved by _____

Date 3/12/26