Approved
August 13, 2026
as written

PINE MEADOW MUTUAL WATER COMPANY
BOARD OF TRUSTEES MEETING

SUMMIT COUNTY, UTAH

THURSDAY, JULY 9, 2026

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

Manager: Brody Blonquist.

CALL TO ORDER

Mr. Cylvick called the Pine Meadow Mutual Water Company Board of Trustees meeting to order at 6:35 p.m. on Thursday, July 9, 2026. He confirmed attendance for a quorum.

APPROVAL OF MINUTES — JUNE 11, 2026

Mr. Cylvick opened the floor for questions or comments on the June 11, 2026 minutes. No corrections were offered.

MOTION: Eric Cylvick moved to approve the minutes of the regular meeting dated June 11, 2026.

Second: The motion was seconded by George Sears.

VOTE: The motion was approved unanimously.

FINANCIAL REPORTS

Profit & Loss — Budget vs. Actual, January 1 through July 8, 2026

The Profit & Loss Budget vs. Actual report was reviewed. Key figures noted:

- **Water Connection Assessments:** Approximately $35,000 in one annexation and connection fee received to date
- **Engineering:** $30,850 spent — attributed entirely to Willowstick, the dowser, and Rockfish geophysical investigation costs, recorded in the engineering and water system maintenance lines.

Mr. Cylvick reported that he met Carol at the Summit County building to sign and record annexation documents. One document could not be recorded: the applicant had it notarized but did not sign it. Carol will need to obtain the missing signature before recording can proceed.

The pending annexation is on Valley View Drive, on the near side of the canyon, where the company water line borders the property — described as straightforward given proximity to existing infrastructure.

MOTION: Eric Cylvick moved to approve the Profit & Loss Budget vs. Actual report for the period January 1 through July 8, 2026.

Second: The motion was seconded by Shaun Baker.

VOTE: The motion was approved unanimously.

Balance Sheet — Previous Year Comparison, as of July 8, 2026

The Balance Sheet Previous Year Comparison was reviewed. Key figures noted:

- **Total Cash (Checking/Savings):** $1,901,215.13 — up $172,204.20 (10.0%) from the prior year, reflecting genuine operational cash growth. Includes Operations Checking $95,488.41 (up $57,001.39); Capital Facility MM-4737 $840,900.32; and three Jumbo CDs totaling $964,826.40 (1-yr 2.5% $108,927.12; 6-mo 4% $505,561.22; 6-mo 3.9% $350,338.06). Mr. Sears noted the Jumbo CDs are performing well.
- **Total Current Assets:** $1,880,369.50 (vs. $1,718,706.73 prior year — increase of $161,662.77, +9.4%).
- **Total Fixed Assets:** $525,668.
- **Accumulated Depreciation:** -$7,171,925.35 (vs. -$6,783,378.43 prior year — increase of $388,546.92).
- **Water System — Other / Total Assets:** The Water System — Other asset line increased $1,932,022.41, bringing Total Assets to $4,176,180.58 (vs. $2,452,030.51 prior year, +$1,724,150.07, +70.3%). Mr. Cylvick explained this is the result of a tax accountant reclassification in which amounts were moved from equity into assets to reduce reported equity — standard practice to minimize equity on a nonprofit balance sheet.
- **Total Liabilities:** $4,189,854.88 (vs. $4,386,964.01 prior year — decrease of $197,109.13, -4.5%). DDW State Loan #1 $1,849,398.59; Loan #2 $1,927,846.38; Total DDW $3,777,244.97. Mr. Cylvick noted liabilities dropped $197,000 year over year as scheduled loan payments are made.
- **Net Income:** $474,611.85 (vs. $430,953.51 prior year — increase of $43,658.34, +10.1%).

Discussion arose regarding the use of the term “net income” on a nonprofit balance sheet. The board agreed the surplus is not distributed to any owner or principal — it is held in reserve — and the terminology is an accounting convention rather than a reflection of distributable earnings.

MOTION: Steve Anderson moved to approve the Balance Sheet Previous Year Comparison as of July 8, 2026.

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

UNPAID BILLS — JULY 8, 2026

Blonquist presented the unpaid bills dated July 8, 2026, totaling $35,093.13. Payees reviewed:

- **Badger Meter — $519.19:** Monthly meter fees.
- **Chemtech-Ford LLC — $301.00:** Nitrates and disinfectant byproducts sampling.

- **Clyde Snow & Sessions — $225.00:** Legal fees — defense of small claims action filed by a former lot owner seeking refund of meter installation costs paid before his sale of the lot. The plaintiff sold the lot; the meter letter transferred with the property. The plaintiff has not responded to his own attorney. Court date is scheduled for July 15th; Ted Barnes (company attorney) will appear remotely from St. George. Company is not obligated to return the funds, and the plaintiff's claim for legal fees is not recoverable under small claims rules.
- **Eric Cylvick — $50.00:** Per diem.
- **George Sears — $50.00:** Per diem.
- **KGC Associates Inc — $1,330.93:** Secretarial services (Carol Steedman), invoice 4085.
- **Pine Meadow Mutual Capital Account — $2,000.00:** Capital reserve account contribution.
- **Pine Meadow Mutual Water Company — $1,856.75:** Mountain Regional Water purchase.
- **Rocky Mountain Power — $2,330.26:** Power — two bills.
- **Scott Smith — $50.00:** Per diem.
- **Shaun Baker — $50.00:** Per diem.
- **Utah Division of Finance, Loan #1 (3F058) — $12,820.00:** DDW loan payment.
- **Utah Division of Finance, Loan #2 (3F170) — $13,510.00:** DDW loan payment.

Total: $35,093.13

MOTION: Eric Cylvick moved to approve the unpaid bills dated July 8, 2026, in the amount of $35,093.13.

Second: The motion was seconded by Steve Anderson.

VOTE: The motion was approved unanimously.

MANAGER'S REPORT

Construction Season and General Maintenance

Brody Blonquist reported the company is in active construction season, supporting contractors in the field. Several meter installations have been completed. Valve maintenance is ongoing — staff is systematically working through all system valves. Once complete, they will return to excavate and repair those requiring it.

Deep Forest Road — Water Line Extension

Brody Blonquist reported that a property owner is building on Deep Forest Road, off Forest Meadow Road. The existing 6-inch main ends at a fire hydrant that dead-ends short of the property. A 300-foot 2-inch line extension is proposed to bring service to the property line and also serve a 2005 annexation property located between the hydrant and the new build.

The plan is to disconnect the 2005 annexee's existing 3/4-inch tap off the 6-inch main, reconnect it as a 2-inch tap on the new extended main, and run both the 2005 property and the new build off the 2-inch line. One bid has been received at approximately $27,000 for 300 feet of 2-inch main (bedded and shaded) plus two connections. Additional bids will be obtained; work is projected for approximately September.

The board discussed fire access requirements. The fire department now measures the 600-foot hydrant distance to the farthest corner of the dwelling, not the front door. A 2-inch service line is not sufficient for a fire hydrant connection — the state requires a minimum 6-inch main for hydrants. The property owner must address fire access through one of three options: a fire hydrant within 600 feet of the farthest corner, a 5,000-gallon storage tank, or indoor fire suppression off the service line.

Mr. Anderson asked whether the property owner could pay the cost difference to upgrade to a 6-inch main. Blonquist noted that because the property is inside ranch boundaries and not an annexation, the company is obligated to bring water to the lot at its own cost without requiring the homeowner to contribute. Three additional annexations are currently on the table.

Pine Loop Fire Hydrant Repair

The contractor engaged to repair the Pine Loop hydrants — which require a proprietary Mueller extraction tool — is still waiting for the tool. Brody will follow up with the contractor on Monday.

Hydrant Locks and North Summit Fire District Access

North Summit Fire District holds keys to all company hydrants; keys were distributed across multiple rigs. The company authorized the fire department to use bolt cutters or a sledgehammer in an emergency. A locked hydrant can be opened by the fire department in approximately two minutes; an uncleared hydrant in winter takes an average of 25 to 30 minutes to uncover and connect to — and property owners are responsible by code to keep the nearest hydrant cleared of snow.

A community discussion on social media arose following lock installation, with some residents suggesting they could use the hydrants themselves in an emergency. The board noted that residents are not trained firefighters, that wildland fire is fought from the burned area using aircraft and dozers, and that civilian hydrant use in a wildfire would not be effective and could put lives at risk.

Rockfish Geophysical Investigation — Update

Brody Blonquist forwarded the Rockfish investigation report to the board and to Chris DeKorver at Bowen Collins & Associates for incorporation into the hydrogeological assessment. The investigation estimated potential yield at under 100 gallons per minute. In Brody's assessment, this does not justify proceeding with an exploration hole in the $120,000 to $200,000 range, given the uncertainty — actual yield could be as low as 10 gallons per minute. The board will await Chris DeKorver's formal report before making a decision.

No anomalies were identified near the interstate; the two areas of interest are on the upper mountain. Infrastructure to bring water from lower elevations would cost several million dollars.

Mountain Regional Water Agreement

Mountain Regional has requested documentation of PMW's actual costs for the tank, pipeline, and infrastructure to Stagecoach, to be used as the basis for water supply rate negotiations. Brody Blonquist will compile those figures the following week from company records.

A Bowen Collins analysis previously commissioned by Mountain Regional found that the current rate of $10.50 per thousand gallons is a "wash" — consistent with the value of PMW's contributed infrastructure. Mr. Cylvick clarified that he had initially interpreted the report as indicating a potential rate increase; Brody confirmed the finding was that current pricing is fair to both parties.

Mr. Cylvick has reviewed the draft long-term water agreement with Ted Barnes and intends to discuss it with the Board upon returning. The company is currently operating under an emergency water agreement and is not a guaranteed customer of Mountain Regional, which the board identified as a structural risk. Mr. Cylvick's goal is to include language obligating Mountain Regional to annex PMW if Mountain Regional is ever unable to legally supply water. If Mountain Regional insists on significantly higher rates, the board's position is to proceed with annexation rather than pay an unfavorable rate. The board agreed the current pricing arrangement is favorable and worth preserving.

ADJOURNMENT

Mr. Cylvick adjourned the Pine Meadow Mutual Water Company Board of Trustees meeting at 7:10 p.m.

_______________ 8/13/26

Approved by Date