

We are rapidly moving towards fall and the end of our construction / maintenance season. This has been a very busy period of time for the water company with a variety of challenges in managing the assets on the mountain. This newsletter will outline how things have gone and what is coming up for owners on the Ranch.

Board of Trustee Elections Fall 2003

We will have two of the five positions for the Board of Trustees up for election at the Fall Company Meeting which will be held on November 6. These two positions are at large positions and they will be for a one-year term and a two-year term. Once this election is completed we will have a staggered election model for all the members of the Board. Each year there will be two positions up for election, one for an at large position and one for a full time resident. The fifth position is an appointed position from the Home Owners Association.

We are calling for interested individuals to run for these Board of Trustee positions. We need additional shareholders to get involved in the operation of the Water Company. The time commitment for these positions is one night per month during the winter months and two nights per month during the summer months. Please call Paul Allen at 801-314-2144 (daytime) or 801-571-6391 (evening) if you are interested in running.

Election Ballots

We will again be mailing out to each shareholder a ballot with the information on those individuals who will be running for election to the Board of Trustees. This will occur in October. We would encourage you to vote for those individuals you wish to represent your interests in running the Pine Meadow Mutual Water Company by returning your ballot either by mail or at the annual meeting. This is your company and a valuable asset to you and your property and the Board of Trustees are there to run the company of your behalf.

Annual Shareholder Meeting

Our annual shareholder meeting will be held **November 6, 2003 at the Summit Country Library located at Kimball Junction** just across the street from McDonalds. We will be in the large conference room on the north side of the building. We encourage each shareholder to attend this meeting, as we will be electing two at large positions to the Board of Trustees as well as reviewing the status of the company, our budget, and general topics of interest to the shareholders.

2003 Projects Update

We have been able to complete two projects on the Ranch this year. One planned and one unplanned project. These projects are as outlined below:

1 – The first project completed this year was the construction of a 12” water line replacing the 4” line (only 24 to 30” deep) that runs from Valley Vista Dr. to Navajo Dr. This is a major distribution line for the water system. This improvement upgrades the infrastructure for improved fire flow and protection and will also upgrade the system to a level that will help provide the ability to offer year round access to some areas of the Ranch. We completed the project just before Memorial Day weekend.

2 - As we brought the water system on line, we quickly became aware that our telemetry system was not working correctly. After a thorough evaluation of the system it was found that we could not repair the system appropriately. We then decided to replace a major part of the telemetry system with an up to date industry standard system. This was a significant unplanned expense and because of this decision, it was not possible to do any additional projects.

Maintenance and Repair

Once the system came online this year, it quickly became apparent that we had some problems due to frozen water lines primarily on Navajo Dr. and Uinta Dr. areas of the Ranch. After all was said and done, we had to replace over 500 feet of

frozen pipe this year. Both of these roads were plowed last winter and with the water lines in these areas only 24 to 36 inches deep and having no insulation effect of the snow, they had extensive freezing.

I Plat has also been a challenge all summer long. The telemetry system was the first problem, then two different valve failures created problems in getting water to this section of the Ranch. The system is now working and providing water to this area, but the whole episode has pointed to some design problems that will need to be addressed as we work through the re-build of the water system in future years.

Winter Water Availability

The Board of Trustees has presented a plan to the State to allow for limited winter availability of water in selected areas of the Ranch that have the appropriate infrastructure and to provide year round availability to other parts of the Ranch as we improve the infrastructure in those areas over a period of years. This plan has not been approved as of the date of the newsletter, but we felt it important to let shareholders know that a plan has been carefully put together and reviewed by the Board and presented to the State.

Winter is Coming – Prepare Early

For those shareholders who have water tanks to take them through the winter, we would suggest that you start filling them now. Over the last two years the Company has had to turn water off in some areas of the Ranch as early as mid November due to early cold conditions. If the predictions of a hard winter materialize, we expect to have to do the same again this year and will focus on those areas where we have had previous problems over the last couple of years. This will also apply to areas where plowing occurs and the water line depths are shallow.

Fee Collection Activities

As was highlighted in our last newsletter, the Company has started a process for collecting outstanding water fees. We have engaged a collection agency to assist in this process. Thus far we have been successful in addressing \$26,000 of the \$70,000 in outstanding fees. This is not an easy process and it is unfortunate that some shareholders are not taking their financial responsibility seriously. We will continue this process for a short additional period of time before we go to the next step of turning off water (for those who have water connections) and / or taking water shares away from shareholders and their property, effectively making their property “dry” until all past fees are paid, including any interest and penalties.

One last point on this subject. We appreciate the support received from the vast majority of our shareholders as they pay the water fees they are assessed. As a Board, we prefer to spend our time working to maintain and improve the water system rather than trying to collect monies.

NO PARKING (*Again*) AT BOBCAT SPRINGS - PLEASE -

As has been noted in previous newsletters, the PMMWC has been implementing a plan to eliminate all parking in the Bobcat Springs area. This is being done primarily to help protect our water source at Bobcat Springs and maintain our certification from the State. With the extensive changes made last year at Bobcat Springs, it is even more important that we not park in this area. The only parking that is allowed in this area is for those individuals who need to have access to the water faucet. This is not a parking area. Thank you for your cooperation.

Water Letter Process

As a reminder to our shareholders, when it comes time for you to request a water connection for your property or to obtain a building permit, it is necessary that you obtain a Water Letter from the Company. The process for doing so is as follows:

- 1- Formally request in writing you desire to obtain a Water Letter and water connection. This should be sent to the Company address.
- 2- When the Company receives this, we will issue you a letter outlining the requirements to obtain a Water Letter and water connection and the associated fees with doing so.
- 3- Provide payment to the Company of the associated fees, sign the water agreement to abide by the Companies Rules and Regulations, and a Water Letter will be issued to you and a water connection will be scheduled.

It is necessary for us to adhere to this procedure so that we can keep an accurate up to date record of shareholders who have water connections.

Communications with the Company

There have been a lot of questions this summer from shareholders on how best to contact the Company and the Ranch Water Manager. We would request that all communications be directed to the company office, either by mail or by phone. This way we can log all communications and keep track of issues that may arise. If there is an emergency, the office can take a message and contact the Water Manager immediately as the office will know how to locate him. You can also page him directly, as we have listed his pager number in this newsletter.

You can also contact members of the board directly if you have issues that we can assist you with.

Drinking Water Source Protection Plan

The Drinking Water Source Protection Plan for Pine Meadows Ranch is available for your review. It contains information about source protection zones, potential contamination sources, and management's strategies to protect our drinking water. Potential contamination sources are common in our protection areas and they are septic tanks, roads around Bobcat Springs, and roads by our wells. Additionally, our wells and springs have a medium susceptibility to potential contamination. We have also developed management strategies to further protect our sources from contamination. Please feel free to contact us at 801-461-0171 if you would like to review our source protection plan or if you have questions or concerns about it.

Board of Trustees

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Budget vs. Actual January through Sept 10, 2003

<u>Ordinary Income/Expense</u>	<u>Actual</u>	<u>Budget</u>
Income		
Administrative Fees	2376.31	1,500.00
Excess Water Assessment	13,773.21	8,000.00
Impact Fees	33,106.00	20,000.00
Interest	4,097.23	2,000.00
Miscellaneous Income	650.30	500.00
Newsletter Sponsorship	0.00	500.00
Water Assessments	259,315.61	291,900.00
Water Connection Fees	<u>17,400.00</u>	<u>6,000.00</u>
Total Income	330,718.66	330,400.00
Expenses		
Capital Reserve Fund	0.00	20,000.00
Contingency Fund	0.00	15,000.00
Facilities Improvements/Repairs	761.60	500.00
Insurance	4,613.19	3,500.00
Legal Fees	413.60	2,000.00
Legal Reserve Fund	0.00	20,000.00
Management Services	28,418.42	46,850.00
Meter Installation	8,983.33	6,000.00
Miscellaneous	375.03	500.00
Newsletters	377.81	1,200.00
Postage, Printing & Mail	763.67	850.00
Professional Services	12,587.26	20,000.00
Property Taxes	11,923.43	15,000.00
Source Protection	327.58	2,000.00
Telemetry System	54,611.56	3,000.00
Utilities	8,218.44	15,000.00
Vehicle Use and Maintenance	4,796.93	8,000.00
Water Shares	0.00	30,000.00
Water System Improvements	80,477.70	89,000.00
Water System Repair & Maint.	<u>9,959.07</u>	<u>32,000.00</u>
Total Expenses	227,608.62	330,400.00
Net Ordinary Income	<u>103,110.04</u>	

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(Forest Meadow Ranch, too!)**

call the

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