



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

For Fiscal Year October 1, 2019 – September 30, 2020

Meeting to be held September 18, 2020

TO ALL PINE MOUNTAINS SHAREHOLDERS:

Notice is hereby given the **Annual Meeting** of Shareholders for fiscal year 2020 of Pine Mountains Water and Management Inc., a Utah non-profit Corporation, will be held **Friday, September 18, 2020, at 7:00 PM.** **Because of concern over the Covid 19 issues, at the present, and the fact that Salt Lake County Commission Chambers are not available to us this year, this year's meeting will be a "Virtual Meeting". Please use the following information to join the meeting.**

Website: <https://csmcostsolutions-unx.my.webex.com/csmcostsolutions-unx.my/j.php?MTID=mf4cb4b6e1dc429aa8f0668a579a8660a>

Meeting number (access code): 126 944 7820

Meeting Password: pine mountain

If you want to call for audio only: 1-408-418-9388 then follow prompts.

The purpose of the meeting is to:

1. Update shareholders on Pine Mountains' past activities, future planning, current financial status and present the fiscal 2021 Budget (see attached financial statements).
2. Elect three, 2-year members to the Board of Trustees. Two incumbents have volunteered to be candidates: Bob Hart, Darin Ross. Write-ins are accepted and nominations will remain open until the election at the Annual Meeting.

3. Approve the Annual Assessment for the fiscal year 2021 that provides necessary funds for the operation, maintenance and capital improvements for the Pine Mountains community while maintaining reasonable contingency reserves. **The Board recommends retaining the same Annual Assessment level that was approved last year: \$300 per year, for shares available for water service (lots) and \$450 per year, for shares with full water service (cabins).**
4. Address such other business as may be requested to come before the membership through written notification from the shareholders. **Topics will be considered for discussion at the Annual Meeting only if they are presented in writing by September 12, 2020, to the address in the next paragraph.**

IMPORTANT: Members should remit a proxy form prior to the date of the Annual Meeting in order to provide for a quorum. There are two convenient ways to submit your proxy. Please use only one of the two alternatives.

1. **Complete the enclosed proxy form (page14) and mail to: Mr. Gaylen Atkinson Election Committee Chairperson 1193 Michaelson Way, West Jordan, Utah 84088. It must arrive prior to September 12, 2020.**
2. **Alternatively, you can submit your proxy form electronically. You will receive an email that has a link to the electronic proxy form. Merely click on the link, complete the proxy online and click on "Submit." This option must also be completed prior to September 12, 2020.**

Please do not submit more than one vote per lot owner. Your vote is very important to the operation of the Pine Mountains community, so make sure you participate in the voting process!

This notice is posted and this proxy is solicited on behalf of the Board of Trustees of Pine Mountains Water and Management Inc.

By: *Brad Peacock*
President
September 1, 2020



ANNUAL REPORT TO SHAREHOLDERS

Dear Pine Mountains Shareholder:

Another great year at Pine Mountains has gone by since our September 2019 Annual Meeting. The Pine Mountains community has been very fortunate to sustain a quality mountain environment with reliable amenities and infrastructure that is important to all property owners. The past twelve months have reflected a focus back to the road system while still upgrading the water system, all in addition to routine maintenance. Here is an overview of issues that we believe are important to you as a property owner.

Water System

We have continued our long-term strategy of requiring owners to install shut-off valves and meter boxes on their property. The approach has been to initiate this when a property changes hands or when there is a need to perform any water line repair work. The property owner pays \$1,800, which approximates the actual cost of the install. We completed eight (8) installations this past year. Well number 2 was still not operating correctly after being replaced last July and had to be pulled from service in May of this year. It was back in service in June for the summer season. The well water pump, motor and the entire discharge pipe had to be pulled, inspected, and reinstalled at a cost of \$5,425.00. The well is now operating correctly and is being closely monitored by the Board.

SECURITY CAMERAS

An additional Security Camera has been installed at the west burn pile gate to help identify those members who are dropping off material that is not acceptable in the burn pile. The cost to add this camera was \$2,102.00. Please read our news letter's and review the Rules and Regulations for material that can be dropped off at the burn pile. We cannot afford to lose this benefit for all of our members. If you have a question on what is acceptable, please contact a Board member. Please continue to help the Board identify those that leave our gates open, or those abusing the Burn Pile regulations. The cameras operate around the clock, 24/7 365 days per year. Please remember to close the gates each and every time you come in or go out of Pine Mountains. If you find a gate open, or witness a member dropping off material, at the burn pile, that is not acceptable please notify Darin Ross at darin.ross77@gmail.com of the date and approx. time you found the incident. This helps in reviewing the security system cameras and helps limit the amount of time Darin has to spend in reviewing footage on the system. Avoid the fines.

Road System

We have returned to our long-term strategy of improving our road system with asphalt. The approach has been to use residual funds from our annual assessments that may be available after mandatory maintenance and retention of contingency reserves. This year the East side road paving has been completed. Asphalt has been placed on the following roads: Caribou Court, the dead end of upper Ashley, upper Targhee Drive, and both upper and lower logging road entrances, Pinion Pine Circle and the entrance to the tennis courts. In addition, a number of road cuts were also repaired. The East and West Winter “Winter Parking” continues to be an item that needs all of member’s help in continuing to follow the parking plan that was presented last year. Cars, pickup trucks, without trailers may park on the West Side asphalt area. Pickup trucks with trailers attached must use the Burn Pile area any time of the year, but especially in the winter months. We do not allow trailers attached to cars or pickup trucks in the East parking area, any time, because of the limited space available to all members in this area. We have also set aside a separate parking area for ATV, UTV and Snowmobiles to better utilize our parking areas. The Board is trying very hard to provide as much parking in the West paved area as possible so we ask all members to adhere to the parking plan as presented. Please adhere to the signage and only park cars and trucks that are not attached to trailers in this area. **NO EXCEPTIONS.** If we are to provide enough parking for busy Holiday weekends we must adhere to this policy.

FIRE!!!!!!

We encourage everyone to take care with sparks, avoid chain saws hitting rocks and causing sparks that can ignite a fire. Unfortunately, Pine Mountains could easily fall prey to a disastrous fire if we do not follow common-sense “fire wise” actions: **(1) no open fires; (2) no fireworks; (3) remove all deadfall and red trees; (4) strategically thin and limb trees; (5) clear defensible space around all structures; and (6) clean chimney pipes regularly.** We have noticed a considerable amount of gun fire this summer and we hope it is taking place in the forest area. As reported by the news, a number of man caused fires this summer have been caused by people target shooting, please use extreme care if you are shooting close to the Pine Mountains area. We are sorry to be so repetitive, but this is a very serious issue that requires all of our attention! Associated with this issue, you need to be aware it is likely we will be closing the “burn pile” access for the season on October 31, 2020, which will impact (3), (4) and (5) above. We do want to thank all of members who are providing “Defensible Space” around their cabins.

Board Positions

Pine Mountains now has an Election Committee (separate from the Board) that will help administer the process of obtaining volunteers for candidacy to become a Board member. Gaylen Atkinson, lot 222, is the Election Committee Chair person. His email is gvatkinson@hotmail.com. Anyone wishing to be considered for a Board position can contact him for details. The deadline for filing is August 15th of each year to allow time for the information to be placed in the annual report.

This brings us to the election of three members to the Board for a 2-year term. Incumbents: Bob Hart, Darin Ross have agreed to run for re-election.

Conclusion

Don’t forget the Annual Meeting of the Association is 7:00 pm on Friday, September 18, 2020. This year’s meeting will be a **“Virtual Meeting”** because of concern over the Covid-19 issues. We look forward to a time when things return to a somewhat normal year and being able to hold our Annual Meeting in person and seeing, visiting about important aspects of maintaining our mountain community. If you are unable to attend please

submit your proxy either by mail or the online process described in this letter. Voting must take place prior to September 12, 2020.

*On Behalf of the Board
Brad Peacock, President
September 1, 2020*

Brad Peacock, President	435-783-7796	435-640-7444	bradannap@gmail.com
Mark Memmott VP	801-942-4830	801-580-1112	markmemmott@msn.com
Bob Hart VP	801-969-6709	801-597-0440	Maybob38@gmail.com
Merrill Ross Treasurer	801-580-4724	435-783-7561	Merrillr9197@gmail.com
Trudy Nielsen Secretary	801-372-8983		trudynielsen@gmail.com
Darin Ross Trustee	435-783-4617		darin.ross77gmail.com
Josh Hollingshead Trustee	319-899-4648		joshmhollingshead@gmail.com

**PINE MOUNTAINS WATER AND MANAGEMENT INC.
STATEMENT OF RECEIPTS & DISBURSEMENTS**

(Note 1)

	Twelve Months Ended		2021 Budget
	July 31, 2019	July 31, 2020	
RECEIPTS:			
Annual assessments (Notes 2 & 6)	\$ 194,399	\$ 190,399	\$ 201,750
Water connections & turnoff (Note 3)	14,600	62,400	19,000
Interest & penalties (Note 4)	1,354	2,847	3,000
Miscellaneous income (Note 5)	5,000	5,052	4,716
Total Receipts	215,353	260,698	228,466.00
DISBURSEMENTS:			
Operating Expenses -			
Payroll (Note 6)	29,770	27,267	32,000
Insurance (Note 7)	8,034	5,215	6,000
Utilities (Note 8)	19,304	16,862	21,000
Office expenses (Note 9)	1,954	1,315	2,000
General maintenance (Note 10)	17,239	23,514	24,000
Equipment repairs & maintenance (Note 10)	2,706	2,613	15,000
Security (Note 11)	27	247	500
Snow removal (Note 12)	10,960	8,240	9,000
Travel expenses (Note 13)	728	1,302	1,500
Payroll taxes (Note 6)	1,464	1,482	2,240
Property taxes (Note 14)	5,421	5,342	5,750
Water connections (Note 3)	24,027	12,520	15,800
Legal & professional fees (Note 15)	1,928	2,400	4,000
Other (Note 16)	210	210	400
Total Operating Expenses	123,772	108,529	139,190
Capital Expenditures (Notes 17 & 18)	21,005	21,005	
Dedicate to Capital Expenditures, Maintenance Expense and Contingency Reserves (Note 18)	-0-	-0-	89,276
Total Disbursements and Reserves	144,777	131,164	228,466
RECEIPTS IN EXCESS OF DISBURSEMENTS & RESERVES (Note 19)	48,299	131,164	\$ -0-

Refer to Accompanying Footnotes

**PINE MOUNTAINS WATER AND MANAGEMENT INC.
BALANCE SHEET**

(Note 17)

	July 31, 2019	July 31, 2020
ASSETS:		
Current Assets -		
Cash in Bank Accounts (Note 19)	420,659	500,333
Accounts Receivable		1,226
Fixed Assets -		
Property, Water System, Roads, Equipment, Water Shares and Water System Parts Inventory, at original cost	1,516,711	1,645,568
Accumulated Depreciation	-426,197	-533,290)
Net	1,090,514	1,112,278
TOTAL ASSETS	1,546,214	1,613,838
LIABILITIES AND EQUITY:		
Current Liabilities -		
Payroll Taxes (Note 6)	276	276
Property Taxes (Note 14)	5,324	5,324
Total Current Liabilities	5,600	5,600
Equity -		
Capital Stock	365,419	365,419
Additional Paid-In Capital & Retained Earnings	1,175,195	1,242,819
Total Equity	1,546,214	1,613,838
	1,546,214	1,613,838

Refer to Accompanying Footnotes

**PINE MOUNTAINS WATER AND MANAGEMENT INC.
NOTES TO STATEMENT OF RECEIPTS & DISBURSEMENTS**

Note 1 – General Information

Pine Mountains Water and Management Inc. (“Pine Mountains”) is a non-profit corporation that exists for the ownership and maintenance of common facilities (primarily water systems, roads, buildings, equipment and common real estate) for the community also known as Pine Mountains. The company is managed by a Board of Trustees (“Board”) consisting of seven members who, as of this report date are: Brad Peacock, President; Mark Memmott Vice President, Bob Hart, Vice President; Merrill Ross, Treasurer; Trudy Nielsen, Secretary and Trustees, Darin Ross and Josh Hollingshead.

The Board generally holds eleven formal meetings during the fiscal year of Pine Mountains, or on an as-needed basis. The Board is actively involved in the day-to-day management of Pine Mountains’ facilities and operations.

The fiscal year of Pine Mountains is every twelve months ending September 30. However, the Statement of Receipts and Disbursements has been prepared to reflect the twelve months ended July 31, 2019 and 2020, due to the timing of the annual shareholders meeting. The amounts presented for the 2021 Budget reflect estimates for the projected twelve months ending September 30, 2021, and is expected to be approved by the Board at the October 2020 meeting. This Shareholders’ Report is prepared on a cash basis, except for certain standing accruals (payroll taxes and property taxes) and adding unpaid work credits to payroll expense.

Note 2 – Annual Assessments

There are two categories of annual assessments for Pine Mountains designed to cover operation and maintenance, general capital expenditures and reserves for contingencies; one for lots available for water service and one for full water service, primarily where cabins have been constructed or initiated. The annual assessments for lots and cabins were increased upon September 2014 shareholder approval to \$300 and \$450, respectively, and the due date is October 15. As of August 1, 2020, there were 140 vacant lots and 355 lots with cabins at Pine Mountains. The revenue projection for the 2020 Budget reflects 140 lots at \$300, plus 355 cabins at \$450 for a total of \$201,750 (**before deduction of any work credits**), representing all 495 lots on the water system. As of August 1, 2020, unpaid annual assessments, costs for water meter upgrades and/or fines amounted to \$1,226.05 from 1 property owner and a lien has been filed on that property.

Note 3 – Water Connections and Turnoff

New water hookups are charged a one-time Connection Fee intended to cover primarily costs of installing water hook-ups for new services and transition the cost of facilities already in place, inclusive of roads. Such fee was \$6,000 from July 15, 2015 through July 15, 2017, when it was increased to \$8,000. Additionally, this line item includes reimbursement from property owners (\$16,200 for 2019 and \$14,400.00 for 2020) for water meter box upgrades as Pine Mountains works toward bringing its water system up to date. A fee related to water turnoff and water reconnection is charged at \$100 per event when an owner fails to pay their annual assessment. The actual cost incurred in completing all water connections and reconnections is reflected in disbursements (“Water connections”) at prevailing rates charged by contractors. The 2021 Budget projects one new cabin construction-starts next year at the \$8,000 Connection Fee and potentially two water turnoff penalties of \$100 each. And six

(6) water upgrades at \$1,800. However, as indicated by past experience, new cabin starts and any turnoff penalties can vary significantly.

Note 4 – Interest & Penalties

The majority of interest income comes from investing discretionary funds in the safest medium available. At any point in time this can include savings accounts, money market accounts and short-term certificates of deposit at prevailing interest rates. Also, penalties are charged for nonpayment of annual assessments amounting to an 18% annual rate after a 15-day grace period from the due date. A \$25 fee is charged for any returned checks due to insufficient funds. The periods presented and the 2021 Budget all reflect market rates available for interest bearing accounts holding funds that are not needed for current operations. Interest rates are still low, which accounts for the nominal budget level for 2021.

Note 5 – Miscellaneous Income

Miscellaneous income consists primarily of water certificate issuance and transfer fees, trailer park fees, penalties and sales of gate keys. A fine of \$75 is charged for violation of Pine Mountains' Rules and can be assessed for each day the violation exists (if unpaid, a lien against the applicable property can be filed).

In the summer of 2019 we started charging a fee for anyone using the pasture for housing of their horses during the summer months. Rates for next year will be: \$35.00 per month per head for anyone who would like to leave horses in the pasture July-September. The cost will be \$2.00 per day per head for short term use of the corrals.

Locks and keys to Pine Mountains' entrances and fire equipment houses were replaced in the summer of 2011. Owners could exchange their existing keys for new keys at a cost of \$5. Additional keys are sold to owners for \$25 each and the amounts received are reflected in "Miscellaneous Income." The cost to purchase new locks and keys is presented as a disbursement in "General Maintenance." The 2021 Budget merely reflects a similar level as 2020.

Note 6 – Payroll

Pine Mountains does not maintain a full-time, salaried manager and related staff for the operation and maintenance of the water system, roads and other Pine Mountains' facilities. Instead, Pine Mountains utilizes a work credit system wherein documented and authorized time is currently reimbursed at the following rates per hour worked: President, Vice President and Treasurer \$16, Board members and other Officers \$13; Security \$9; and work party participants and other general services provided by property owners \$8.

Such amounts are payable first as an offset to the annual assessment and any balance is paid in cash. Legally required payroll taxes are also deducted and the equivalent employer share is reflected herein as "Payroll Taxes." Workers Compensation Insurance is required, the cost of which is included in disbursements under "Insurance."

All annual assessments are reflected in the accompanying statements as receipts on a gross basis and any related credits are reflected as a disbursement in "Payroll" for traditional work credits, as "Security" in the case of patrolling, or as "Legal & Professional Fees" in the case of legal services. Credits, inclusive of cash payments, for the twelve months ended July 31, 2020 were authorized to 46 lot owners, with the highest five in aggregate dollar amount (reflected as payroll expense) being paid to the following: Merrill Ross \$5,784; Mark Memmott \$2,640; Bob Hart \$2,624.00 Jim Peacock \$1,859.00; Darin Ross \$1,807.00

Note 7 – Insurance

Pine Mountains maintains insurance coverage (obtained on a periodic competitive quote basis) at premiums that currently are running approximately \$2,719.19 for commercial liability, \$1,856 for directors' and officers' liability and \$640.00 for Workers' Compensation Insurance (all totaling \$5,215.19).

Note 8 – Utilities

Pine Mountains requires significant electrical power to run pumps for the water system and security lights at entrance gates. Also, a telephone is located at the East and West gate, pump houses, maintenance building and Pine Mountains has one cell phone. Disbursements reflect billings by Rocky Mountain Power, All West Communications and telephone reimbursement provided to Board members for conducting Pine Mountains business. In addition to utility company rate increases, cabin usage by Pine Mountains' property owners has been consistently high, impacting run time for water pumps and consequently the overall level of electricity cost.

Note 9 – Office Expenses

Office expenses are primarily: postage, copying costs, computer supplies, software updates, paper, envelopes, stationary, records maintenance and other administrative costs.

Note 10 – Repairs and Maintenance

Pine Mountains incurs costs annually for the materials and services involved in maintaining and repairing fences, roads, pumps, water lines and connections, general cleanup, picnic ground, trailer park area, burn pile, owned buildings, truck, backhoe, fire pumper truck, snow cat groomer, ATV and miscellaneous equipment. Where utilization of Pine Mountains' owners is not feasible for the labor involved in maintaining and repairing Pine Mountains' facilities, outside contractors are hired on an as-needed basis at market rates. General Maintenance detail includes the following:

Description	2019	2020
Work and materials related to water system, including testing (non-capitalized)	\$1,429	4,543
Annual assessment for Weber Basin and Smith & Morehouse water shares	5,295	5,380
Shareholder communication	935	950
Road work (includes road base, haulage and other contractor costs; non-capitalized)	1,010	1,489
Propane (Timing of tank fill varies)	1,042	822
Diesel and gasoline	1,413	1,445
Gate key replacements and locks	1,073	1,939
Miscellaneous facility repairs, materials and supplies	4,276	5,775
Total General Maintenance (This includes repairs to the snow groomer)	18,272	22,343

The 2021 Budget reflects the Board's intent to contain routine maintenance projects to \$24,000 plus equipment maintenance at \$15,000 and apply any residual operating funds to capital expenditures for a combination of water system enhancements (primarily pressure relief valves) and asphalt pavement on Pine Mountains' road system. This strategy assumes no incurrence of an event that would critically impact Pine Mountains' water system or other facilities and amenities that would require immediate attention. Refer to Note 18 for future capital and major maintenance projects.

Note 11- Security

Formal security patrolling was undertaken on a work credit basis by Board & PM members this past fiscal year. However, the 2021 Budget reflects \$500.00 for possible patrolling on certain high usage weekends.

Note 12 – Snow Removal and Grooming

During the periods presented, Pine Mountains hired a third party for plowing snow in the overflow parking near the East gate and a portion of the lots by the burn pile and barn near the West gate. (The snow plowing adjacent to the privately owned garages on the East and West is the responsibility of the respective property owners). The cost is on a “per push” basis and, therefore, varies with the severity of the winter season. The fiscal 2021 Budget is just a little higher than the 2020 budget level. In 2005 Pine Mountains purchased a used groomer and performs grooming activities through use of Board members, the labor for which is included in “Payroll.”

Note 13 – Travel Expenses

Board members are reimbursed for reasonable expenses to attend outside functions primarily related to the proper certification and maintenance of the water system. Personal vehicle use for such functions or other official Pine Mountains business is reimbursed at 58 cents per mile.

Note 14 – Property Taxes

Pine Mountains pays taxes to Summit County for the real property owned (see Note 17). Although Pine Mountains’ property does not qualify for green belt status, it still falls into a category that is taxed at a reduced rate. Property taxes also include a personal property tax on the water system. The 2021 Budget reflects nearly the same tax level as the prior year’s assessment.

Note 15 – Legal & Professional Fees

Pine Mountains occasionally requires legal assistance for real estate transactions, settlement agreements, special issues and collection assistance. There has been success in obtaining such services at no cost or less than market rates through a former Pine Mountains property owner. An annual review of Pine Mountains’ financial records is performed by an independent accounting firm, primarily for completion of the non-profit corporate income tax return at fees of \$2,000.

Note 16 – Other Operating Expenses

Other operating expenses individually are nominal dollar amounts expended, primarily for bacteria and mineral analysis fees on the water system, dues and assessments related to water association activities, website maintenance and miscellaneous recording fees. Pine Mountains is a member of the Rural Water Association of Utah, which is affiliated with the National Rural Water Association. This organization provides Pine Mountains with technical training and hands-on assistance in the operation of the water system. Four Board members, Mark Memmott, Bob Hart, Brad Peacock and Darin Ross are currently certified as water system operators through the state of Utah - Department of Environmental Quality, Division of Drinking Water (additionally, one non-Board member resident is certified).

Note 17 – Balance Sheet and Summary of Assets

Pine Mountains has taken advantage of opportunities to secure real property for the protection of the water system and for maximizing open common space. In addition, Pine Mountains owns certain heavy equipment and miscellaneous small equipment that is important to the maintenance of Pine Mountains' facilities. Capital expenditures for fiscal 2019 and 2020 amounted to \$85,551 and \$17,792 respectively, and relate primarily to asphalt applications on Pine Mountains' roads and certain water system upgrades. A summary of major assets, at original cost, as of July 31, 2020, follows:

Description	Original Cost
Original water system, plus 700 Smith & Morehouse water shares (restated estimate)	\$ 163,000
Water storage tank addition – 350,000 gallons	162,576
Dry farm – 24.07 acres by upper Brook lawn	48,000
Timber land – 292.05 acres	43,870
Acreage above wells – 14.6 acres	16,570
Acreage adjacent to highway – 6.62 acres	20,000
Smith & Morehouse water stock – 200 shares	30,000
Ranch house property and adjacent land	10,000
Barn, corral and adjacent land	10,500
Water system upgrades	211,841
Maintenance building	191,611
Parking development	15,133
Backhoe	33,000
Road upgrades (asphalt certain sections, rototill and logging road improvement)	581,329
Diesel and gasoline fuel tanks	12,532
Snow groomer	18,089
Pickup truck	15,622
Fire pumper truck	6,000
Computer and printer	1,853
Miscellaneous tools and equipment	8,234
Average inventory of water system parts	9,725
ATV and snowmobile	2,300
Total	1,611,785

The financial records for Pine Mountains are kept primarily on a cash basis, except for retaining certain static accruals for payroll and property taxes. However, the accompanying balance sheet does not reflect all accrual entries that would be required by generally accepted accounting principles. Accumulated depreciation and updating of fixed assets are recorded once a year after the preparation of the annual tax return filing.

Note 18 – Future Capital and Maintenance Projects

The following summary provides an overview of the major maintenance and capital projects the Board is using to prioritize funds beyond that required for normal operations and contingency reserves. Although progress is being made on major enhancements to the water and road systems, the availability of residual funds is still limiting the pace at which other projects or capital additions can be accomplished.

Description	Estimated Cost (B)
Upgrade water system – one pressure relief valves and valve boxes	\$ 30,000
Road system upgrades (asphalt application and road base)	40,000
Purchase a ¾ Ton used pickup for towing a trailer	25,000
Purchase a Tilting dumping trailer	12,000
Purchase a used Skid Steer loader	35,000
Replace Notifications system in Pump house & Transfer Station	15,000
Enlarge the upper Water Tank Storage capacity	200,000
Move picnic area to the pasture & tennis court area	15,000
Replace both Water Transfer pumps at the transfer station	30,000
Purchase back-up generator for power to water system	50,000
Continue program of installing shut-off valves, plus meter boxes	(B)
Replace 6 old style fire hydrants Approx. \$6,666.00ea.	40,000
Total of items where costs have been identified	-507,000

(A) No cost estimates have been developed

(B) Ongoing effort: owner pays \$1,800.00, which approximates cost to install so, no significant impact to the Association.

The Board will pursue all necessary capital and major maintenance projects, recognizing the most opportune time that incurs the least cost. It is the intent of the Board to reserve excess funds from operation of fiscal 2020, combined with any carryover cash from previous periods, and apply toward a careful prioritization of the projects identified above or new projects important to Pine Mountains.

Note 19 – Cash

All cash accounts are federally insured and maintained at branch banks in Salt Lake City. Available cash as of July 31, 2020 amounted to \$500,308.50 (before consideration of any outstanding accounts payable). Such amount included Zions Bank checking \$10,456.64, Fortis Bank checking \$23,064.39, Fortis Bank CD \$173,257.62, Fortis Bank savings MM \$293,529.85 in savings at prevailing market interest rates. The Board has approved earmarking \$170,000 of available cash funds as an ongoing contingency reserve for emergency repairs.

The Board is committed to reserving funds available, after payment of operating expenses, toward a long-range plan of water system enhancements and the development or maintenance of facilities and roads that support such water system. It continues to be the plan to achieve this goal through management of revenues received from annual assessments and only incur debt if subsidized funding is available through agencies encouraging the development of water systems or if emergency repairs exceed the existing funds available. It is also the intent of the Board to prioritize maintenance and capital projects, where practical, to still allow for a reasonable level of cash reserves for contingencies, while funding major maintenance and capital projects on a cash basis.

PROXY

The undersigned hereby constitutes and appoints Brad Peacock, President of Pine Mountains Water and Management Inc., with full power of substitution, to be the true and lawful attorney and proxy for the undersigned to vote at the Annual Meeting of the Shareholders of Pine Mountains Water and Management Inc. to be held at 7:00 p.m. on Friday, September 18, 2019, or at any adjournments thereof and at all subsequent meetings called to consider any of the same matters as set forth in the Notice of said meeting which is attached. Said proxy is hereby appointed and authorized to vote the shares the undersigned would be entitled to vote if personally present (unless otherwise instructed below) for any and all matters set forth in the said Notice of Meeting and any matters properly coming before the meeting. The undersigned revokes all other proxies relating to the shares covered hereby. The undersigned may withdraw this proxy and vote in person at the meeting. Only one vote is allowed for each share of Pine Mountains stock owned.

Please indicate your vote or choice on the following:

1. Elect Three (3), two-year members to the Board of Trustees of Pine Mountains Water & Management Inc. **(Vote for the candidates listed or write in your choice below).**

Bob Hart _____ Darin Ross _____ Write-ins: _____

2. To approve the Annual Assessment for the 2021 fiscal year. **The Board recommends Retaining the same level of assessment as approved last year at \$300 per share for Available water service (lots) and \$450 per share for full water service (cabins).**

_____ Yes _____ No (please specify)

3. The Board is in the process of determining which amenities to upgrade or install for the Pine Mountains Community in the foreseeable future. These amenities are in addition to the ongoing maintenance, repair, upgrades to our roads and water system. Both options will require time for research based on the best value, sustainability, and longevity for our Pine Mountains Community.
4. Please rank the options in the order of importance you feel is best for the Pine Mountains Community.

A. Electric Gates for both the West and East Entrances

High Priority Low Priority

- B. Pine Mountains Community Park Area – installation of a Pavilion for multifamily use and reservations, updates & repairs to the existing tennis courts for multi-sport use, update existing playground equipment, expanded parking and restroom services for increased use of this area.

High Priority Low Priority

Special instructions to proxies or special request for a topic to be discussed at the Annual Meeting, if any:

Date Signed _____ Lot Number(s) _____ Signed

(Note: If stock shares are in the name of more than one person, each should sign above)



Merrill Ross, Treasurer
9197 Trimble Creek Drive
West Jordan, Utah 84088
ADDRESS SERVICE REQUESTED