



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Pine Mountains Water and Management, Inc.

Fiscal Year 2025: October 1, 2024 – September 30, 2025

TO ALL PINE MOUNTAINS SHAREHOLDERS:

Notice is hereby given of the Annual Meeting of Shareholders for Pine Mountains Water and Management Inc., a Utah non-profit corporation. We invite you to join us to review the past fiscal year, discuss future plans, and vote on important community matters.

Meeting Details

- **Date:** Friday, September 19, 2025
- **Time:** 7:00 PM
- **Location:** Kamas City Hall, 170 North Main Street, Kamas, Utah 84036

We are working to provide a **live stream** of the meeting for those who cannot attend in person. We will email the link and login information to all members as soon as it is available. Please note that questions will not be taken on the live stream.

Meeting Agenda

The purpose of this meeting is to:

- **Review Financials and Budget:** We will update shareholders on our activities, future plans, and current financial status. We will also present the proposed budget for fiscal year 2026.
- **Elect Board Members:** We will elect **four (4) two-year members** to the Board of Trustees. The candidates are incumbents Brad Peacock, Merrill Ross, Josh Pedersen, and Kaylene Zimmer, as well as Mike Bowe. Nominations will remain open, and write-in candidates are accepted until the election at the Annual Meeting.

- **Approve Assessments:** We will vote on the annual assessment for fiscal year 2026. The Board recommends that the assessment level stay the same as last year:
 - **\$350 per year** for lots
 - **\$500 per year** for shares with full water service (cabins)

Important Deadlines & Submissions

To ensure your questions or other business topics are addressed, they must be submitted in writing by **September 16, 2025**, to the Election Committee Chairperson.

Similarly, to provide a **quorum** for the meeting, we ask that you submit your proxy by **September 16, 2025**. You have two options for submitting your proxy:

1. **Mail:** Complete the enclosed proxy form (page 15) and mail it to:
Mr. David Jones
Election Committee Chairperson
14863 Saddle Leaf Cr.
Draper, Utah 84020
2. **Online:** Look for an email with a link to the electronic proxy form. Simply click the link, complete the form, and click "Submit."

Please submit only one vote per lot owner. Your vote is crucial to the operation of the Pine Mountains community.

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

Sincerely,

Brad Peacock
President
Pine Mountains Water and Management, Inc.
September 1, 2025

ANNUAL REPORT TO SHAREHOLDERS

Dear Pine Mountains Shareholder:

Another great year, with nominal snow fall, at Pine Mountains has gone by since our September 2024 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 on our new gate system while still maintaining all routine maintenance. Here is an overview of issues that we believe are important to you as a property owner.

Pine Mountains Amended and Restated Bylaws and updated Rules

The Pine Mountains Board of Trustees adopted Amended and Restated Bylaws at its regular scheduled May 2022 Board meeting. The adopted Bylaws and updated community Rules can be found on the Pine Mountains webpage under the Rules & Bylaws tab. (<https://www.pinemountains.com/rules-bylaws>).

Water System & Equipment

We have continued our long-term strategy of installing the meter box upgrade kits on all properties. Currently Pine Mountain still has 40 installs' to be completed by the contractor. We are hoping the last of these upgrades will be completed this fall before the snow flies again. Two (2) new flow meters have been installed on our main wells houses and are working well. Total cost of these new 6" flow meters was \$14,046.21

Slash/Burn Pile Use

The addition of a security camera on the slash/burn pile is assisting to identify person(s) that are dropping off prohibited materials in the burn pile. The burn pile is restricted to natural vegetation that is collected within the boundaries of the subdivision. Violations come with a \$350 fine. If you observe prohibited dumping, do not approach the violator but report the violation to a board member. Include the date and time of the dumping, description of the vehicle and person(s), a plate number, and photos. The bi-annual newsletter provides more detail about what can and cannot be taken to the slash/burn pile. Also, see Rule # 14 of the recently updated Pine Mountains Rule document. The dumping of prohibited materials puts the communities' right to open burn each fall at risk from being allowed to burn. Open burning is controlled by the Utah State Forestry and State Lands rules. If you have questions about what can be dropped off at the slash/burn pile, please contact a Board member.

Entrance Gates

The community has invested in a new electric gate opening system that will allow members to use four different gates opening options to gain access to Pine Mountain. Additional devices are available by contacting Merrill Ross at 801-580-4724 or stop by the cabin at 795 Blue Spruce Drive. The Pine Mountain Board will not mail items unless the members are willing to pay for the postage and cost to mail them. Members will need to fill out the order form and submit it to a Board member. Please allow 7-10 days, after you order the devices to allow time to enter the data into the system. The Board has prepared a detailed plan for how the gates can be used and any options available to members for contractor's use. Information sheets are available at the sign in table at the meeting, if you have a problem using any of the devices, please contact Merrill Ross or Brad Peacock. The request for day codes is turning out to be quite an issue. Please do your best to arrange a time for you to meet day contractors at the gate to allow access to your property. Price for issuing Contractor's codes is \$15.00 per request.

Parking and Road System

We have finished 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. In addition, a number of road cuts will require upcoming repair when a contractor is selected. The east and west "Winter Parking" continues to be an item that needs all of member's help in continuing to follow the parking plan that was presented a few years back. 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. No long-term parking of units of any type are allowed in center of the west paved lot or the center of the east winter parking lot to reserve a spot for future visits. Please do not park your ATV, Side X Side, snowmobile in this area to reserve you a spot on your next weekend visit. This also creates problem for our snow plowing contractor and you by leaving machines in this area. This limits the space for other members coming if for a short stay in the winter. If we are to provide enough parking for busy Holiday weekends we must adhere to this policy.

Board Positions

The Board of Trustees has created an Election Committee, separate from the Board, with the mission to administer the yearly proxy votes and to identify persons interested in being elected to the Board. The current committee Chair is Mr. David Jones (lot #1, davidejoneshome@gmail.com). If you are interested in being a Board of Trustee candidate, please reach out to Mr. Jones for details.

With this being an odd number year, four (4) Trustee positions are up for the election at this 2025 Annual Meeting. The duration of the term of office for each Trustee is set by the Bylaws to two (2) years. The incumbents, Brad Peacock, Merrill Ross, Josh Pedersen, Kaylene Zimmer and one candidate Mike Bowe have agreed to be included on this year's ballot as candidates. If interested in applying for the Board of Trustees election during this year's Annual Meeting please contact Mr. Jones prior to the filing deadline of August 15th Five pm.

Fire

We encourage everyone to avoid activities that cause uncontrolled sparks such as a chain saw hitting a rock. 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 (Rule # 2, Fine \$1,000); (2) no fireworks;(Rule # 2, Fine \$1,000) (3) remove all deadfall and red trees;(Rule # 12, Fine \$75 - \$500) (4) strategically thin and limb trees; (5) clear defensible space around all structures; and (6) clean chimney pipes regularly.** We have had a few reports of shooting in the Pine Mountains community again this summer. We want to remind all members that shooting of any kind is not allowed in the Pine Mountains property, see Rule # 1. This includes the upper water shed area accessible by either logging road. Also, we want to remind members of the Utah State law that prohibits discharging a firearm within 500’ of a home, building or cabin. Please use a commercial shooting range for shooting with our current condition. As reported by the news, several Human caused fires this summer have been caused by people target shooting, unless restricted please use extreme care if you choose to target shoot on the national forest lands adjacent to Pine Mountains. We are sorry to be so repetitive, but this is a very serious issue that requires all 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, 2025, which will impact (3), (4) and (5) above. We do want to thank all of members who are providing “Defensible Space” around their cabins.

Also, on the first Saturday in May, of each year, the NFPA “National Fire Protection Agency” holds a “Wildfire Community Preparedness Day.” This is an excellent program for our members to visit and prepare for Wildland Fires in our community. Visit their site at: **wildfireprepd.org**.

Conclusion

Don’t forget the Annual Meeting is scheduled to start at 7:00 pm on Friday, September 19, 2025. As with every year’s annual meeting, it is important to the community’s management that all members prioritize their participation by attending in person or live streaming the meeting. If you are unable to attend in person, submitting your proxy by USPS mail or online is equally as important and necessary to form a Quorum of Shareholders Members. Voting of shares by proxy must take place prior to the September 16, 2025

*On Behalf of the Board
Brad Peacock, President
September 1, 2025*

Home Phone Mobile Phone

Brad Peacock, President	435-783-7796	435-640-7444	bradannap@gmail.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	
Darin Ross Secretary		801-598-3757	darin.ross77@gmail.com	
Chris Memmott Trustee		435-623-8008	chrismemmott43@gmail.com	
Kaylene Zimmer Trustee		307-752-4825	kaylene.zimmer@gmail.com	
Josh Pedersen Trustee		435-631-0537	pederpad@gmail.com	

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

(Note 1)

	Twelve Months Ended		2026 Budget
	July 31, 2024	July 31, 2025	
RECEIPTS:			
Annual assessments (Notes 2 & 6)	\$ 211,902	\$ 220,238	\$ 227,350
Water connections & turnoff (Note 3)	138,808	20,766	18,200
Interest & penalties (Note 4)	33,429	31,020	25,000
Miscellaneous income (Note 5)	49,092	7,736	3,500
Trailer Storage Fee	29,175	25,641	27,500
Special Assessment	113,700	2,100	.00
Total Receipts	576,106	307,501	301,550
DISBURSEMENTS:			
Operating Expenses -			
Payroll (Note 6)	16,159	10,792	35,000
Insurance (Note 7)	8,998	7,996	10,000
Utilities (Note 8)	12,792	13,674	24,000
Office expenses (Note 9)	6,058	4,628	6,000
General maintenance (Note 10)	42,986	37,563	30,000
Equipment repairs & maintenance (Note 10)	16,793	15,570	15,000
Security (Note 11)	.00	.00	500
Snow removal (Note 12)	15,025	9,219	16,000
Travel expenses (Note 13)	919	800	2,000
Payroll taxes (Note 6)	1,081	539	1,300
Property taxes (Note 14)	4,625	4,775	6,000
Water connections (Note 3)	4,642	14,184	20,000
Legal & professional fees (Note 15)	2,635	2,130	5,000
Trailer Storage Area	44	.00	10,000
Gate Maintenance	00.	859	8,000
Other (Note 16)	135	220	500
Total Operating Expenses	123,551	132,921	188,800
Capital Expenditures (Notes 17 & 18)	123,039	91,319	
Dedicate to Capital Expenditures, Maintenance Expense and Contingency Reserves (Note 18)	329,516	83,261	112,750
Total Disbursements and Reserves	452,452	307,501	301,550
RECEIPTS IN EXCESS OF DISBURSEMENTS & RESERVES (Note 19)	248,590	0	0

Refer to Accompanying Footnotes

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

(Note 17)

	July 31, 2024	July 31, 2025
ASSETS:		
Current Assets -		
Cash in Bank Accounts (Note 19)	969,518	1,024,098
Accounts Receivable	18,867	7,009
Fixed Assets -		
Property, Water System, Roads, Equipment, Water Shares and Water System Parts Inventory, at original cost	1,901,652	2,015,729
Accumulated Depreciation	-962,088	-1,057,217
Net	905,781	923,828
TOTAL ASSETS	1,927,949	1,989,619
LIABILITIES AND EQUITY:		
Current Liabilities -		
Payroll Taxes (Note 6)	276	276
Property Taxes (Note 14)	5,000	5,000
Contracts payable	253,664	248,310
Total Current Liabilities	258,940	253,586
Equity -		
Capital Stock	365,419	365,419
Additional Paid-In Capital & Retained Earnings	1,303,590	1,370,614
Total Equity	1,927,949	1,989,619
	1,927,949	1,989,619

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, Bob Hart, Vice President; Merrill Ross, Treasurer; Darin Ross, Secretary and Trustees, Chris Memmott, Kaylene Zimmer and Josh Pedersen

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, 2024 and 2025, due to the timing of the annual shareholders meeting. The amounts presented for the 2026 Budget reflect estimates for the projected twelve months ending September 30, 2025, and is expected to be approved by the Board at the October 2025 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 on October 1, 2021 with shareholder approval to \$350 and \$500, respectively, and the due date is October 15. As of August 1, 2025, there were 141 vacant lots and 354 lots with cabins at Pine Mountains. The revenue projection for the 2026 Budget reflects 141 lots at \$350, plus 354 cabins at \$500 for a total of \$227,350 (**deduction of any work credits**), representing all 495 lots on the water system. As of August 1, 2025, unpaid annual assessments, special assessments, and unpaid meter box upgrade kits, along with unpaid new gate opening device and/or fines amounted to \$7,051.60

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. In Jan of 2022 it was increased to \$9,000.00 Additionally,) As Pine Mountains works toward bringing its water system up to date a fee related to water service turnoff and water service 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 2026 Budget projects two (2) new cabin construction-starts next year at the \$9,000. Hookup Fee and potentially two (2) water service turnoff penalties of \$100 each. However, as indicated by past experience, new cabin starts and any turnoff penalties can vary significantly. The Board is committed to a program to have “Water Meters Boxes” installed on all property with cabins.

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 2026 Budget all reflect market rates available for interest bearing accounts holding funds that are not needed for current operations. Interest rates are currently on the decline, which accounts for the budget level for 2026.

Note 5 – Miscellaneous Income

Miscellaneous income consists primarily of water certificate issuance and transfer fees, trailer park fees, penalties and sales of gate devices. A fine, per our Rules & Regulations 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.

Additional gate opening devices are now sold to owners for \$20.00 and \$50.00 each and the amounts received are reflected in "Miscellaneous Income." The cost to purchase new devices is presented as a disbursement in "General Maintenance." The 2026 Budget merely reflects what the Board feels will be sold after the startup period is complete.

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 \$10; and work party participants and other general services provided by property owners \$9.

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, 2025 were authorized to 35 lot owners, with the highest 5 in aggregate dollar amount (reflected as payroll expense) being paid to the following: Merrill Ross \$6,848.00, Bob Hart \$1,584.00, Darin Ross \$611.00 James Peacock \$633.40, and Larry Harwood \$535.00

Note 7 – Insurance

Pine Mountains maintains insurance coverage (obtained on a periodic competitive quote basis) at premiums that currently are running approximately \$5,846.00 on commercial liability, \$2,168.00 for directors' and officers' liability and for \$454.00 Workers' Compensation Insurance (all totaling \$8,468.00)

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 pump houses, maintenance building at Pine Mountains. Disbursements reflect billings by Rocky Mountain Power; All West Communications and T-Mobile and 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 and annual fees, 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, pickleball courts, 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	2024	2025
Work and materials related to water system, (non-capitalized)	1,892	.00
Annual assessment for Weber Basin and Smith & Morehouse water shares	5,589	6,602
Shareholder communication	800	800
Road work (includes road base, haulage and other contractor costs; non-capitalized)	1,000	26,013
Propane (Timing of tank fill varies)	769	761
Diesel and gasoline	619	850
Gate Maintenance	590	859
Miscellaneous facility repairs, materials and supplies	2,258	1,678
Total General Maintenance	19,414	37,563

The 2025 Budget reflects the Board's intent to contain routine maintenance projects to \$30,000 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 2026 Budget reflects \$500 for 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 area the East gate and a portion of the lots by the burn pile and barn near the West gate and 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 call and minimum” basis and, therefore varies with the severity of the winter season. The fiscal 2026 Budget has an increased level to account for the contractor’s change in how they bill and last year’s snow fall. Pine Mountains owns a snowcat/groomer that is used to groom the community roads operated by Board members. Labor 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, .70 cents per mile per the current IRS rate chart.

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 2026 Budget reflects a small increase in the tax level from Summit County.

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 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 \$5,000.

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. Three Board members, 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 2024 and 2025 amounted to \$43,776 and \$91,319 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, 2025 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	33,733
Ranch house property and adjacent land	10,000
Barn, corral and adjacent land	10,500
Water system upgrades	271,317
Maintenance building	190,946
Parking development	13,800
Backhoe	33,000
Security upgrades	9,910
Electrical up grades	5,467
Road upgrades (asphalt certain sections, rototill and logging road improvement)	988,086
Diesel and gasoline fuel tanks	11,543
Snow groomer	18,089
Pickup truck	15,622
Fire pumper truck	6,000
Computer and printer	1,974
Miscellaneous tools and equipment	5,876
Average inventory of water system parts	9,725
ATV and snowmobile	2,300
Mission Communications System	27,663
Transfer Station Electrical equipment upgrade	30,589
Total	1,989,619

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.

Upgrade water system – one pressure relief valves and valve boxes	\$ 30,000
Road system upgrades (asphalt application and road base)	50,000
Purchase a ¾ Ton used pickup for towing a trailer	50,000
Upgrade Security Camera Software	1,594
Tennis Court Repair and surface	154,620
Purchase and install two Stand-by generators for Wells & Transfer Station	75,000
Purchases and install two Propane fuel tanks, underground for generators	11,250
Purchase a used Skid Steer loader	35,000
Purchases Dump type trailer	12,000
Major repair project to the snow cat	35,000
Enlarge the upper Water Tank Storage capacity by 150,000 gallons	797,572
Replace the wood fences on Weber Canyon Road with Steel fencing	150,000
Replace 3 old style fire hydrants Approx. \$7,320.00ea.	21,960
Total of items where costs have been identified	1,423,996

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 2025, 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, 2025 amounted to \$1,024,098.90 (before consideration of any outstanding accounts payable). Such amount included Zions Bank checking \$10,846.81, Fortis Bank checking \$75,887.43, Mountain American Credit Union CD \$213,169.97 MMA savings \$359,977.34, Mountain American Credit Union 6-month CD \$260,600.55 MACU CD \$103,615.80 and \$1.00 in the primary savings account at MACU, at prevailing market interest rates. The Board has approved earmarking \$213,170.00 of available cash funds as an ongoing contingency reserve for emergency repair.

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 19, 2025, 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 vote for four (4), two-year members to Pine Mountains Water & Management Inc.
Board of Trustees.**

Incumbents

Brad Peacock ☐ Merrill Ross ☐ Josh Pedersen ☐ Kaylene Zimmer ☐

Candidates

Mike Bowe ☐ Write-ins: _____

To approve the Annual Assessment for the 2025-2026 fiscal year.

The Board recommends maintaining the current rate of \$350 per share for available water service (lots) and \$500 per share for full water service (cabins).

For

☐

Against

☐

Comments: _____

Signed _____ Lot/lots _____ Date _____

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