

Lions Head Water Users Association Annual Meeting Minutes

August 8, 2003

6:10 pm

Roll Call:

Alan Scott – Lot 14

Anne Meininger – Lot 14

Ron Trujillo – Lots 11 and 13 Elk Stream, Lot 8 Elk Springs

Lots represented by proxy – Greg and Victoria Schamaun – Lots 10 and 12

William, Frances and Julia Powell – Lot 15

Proof of due notice:

Notice of this meeting was sent out on July 7, 2003.

Reading and Disposal of any unapproved minutes:

Minutes of the 2002 meeting were approved without changes. It was mentioned that updated copies of the association documents were available, and would be sent out to each member with the minutes.

Nominations for Vacancy on the Board of Directors:

We didn't have any write in nominations, and no nominations were made from the floor.

Report of the President or Vice-President:

There were no changes to the system this year. No one connected to the system, and it is still mothballed.

Water rate changes were passed by the directors, and an assessment increase was passed unanimously by the membership late last winter.

The pond was placed on lot 11, a fire hydrant was placed next to the pond, and the pond was filled to prove beneficial use of water in 2002, as required by the state of Colorado. At this time, it was discussed that we still need to prove beneficial use of water for 2003. (See notes) We only need to fill the pond to show use – not use ALL of the water that we have rights to.

It was also mentioned that Clint Brooks (our water master) strongly opposes using our system for forest fire protection for Elk Stream Ranch. It is too small to be effective, and the system could be damaged by the large water flows that would be required by fire fighting trucks. It was agreed to not offer our water system to Elk Stream as a forest fire fighting tool.

Report from the Secretary:

Minutes of the 2002 annual meeting and notes from the directors' meeting with Clint Brooks were sent out to all members, along with a copy to the directors of Elk Stream.

Report of the Treasurer:

We started with \$800 at the start of the year (August 2002), and then deposited \$2000 (8 @ \$250). Expenses were for check printing, electric bills, and the Colorado business report

fee. (See Financial Summary) The costs associated with all of our electric meters were discussed. (3 meters, \$15 base cost each, plus whatever we use to heat the well house – see Addendum to Financial Summary) Clint's fees were also discussed. (See notes)

Current guess is that we may have a house on the system in 2 to 4 years.

Unfinished business:

There was no unfinished business.

New business:

There was a long discussion concerning insurance. It was concluded that we should ask one of our members, Jon Zusy, for advice, as Jon is a lawyer. Cost of insurance was brought up, as well as the realization that our current budget might be insufficient if we also have insurance costs. Our current risks were discussed, and we concluded that we don't have much risk with the water system until it is in operation. No one is around the water system, so no one can be hurt by it easily. And, if we have a system break, we would just have to pay for it ourselves. However, the possibility of just obtaining liability insurance was brought up by Ron, and his estimate of a \$1 or \$2 million policy was about \$300-\$600/year based on his experience. This is an avenue that we agreed should be pursued. (See notes)

Election:

The current directors were unanimously voted back in.

From the floor:

Nothing was brought up from the floor.

Adjournment:

Ron made the motion and Alan seconded that we adjourn. The meeting was adjourned at 6:40 pm.

Action items:

- Check to make sure that water has been pumped and annual maintenance has been performed – Ron
- Insurance issues – Alan

Notes:

- Water was pumped to fill the pond later in August, 2003 to prove beneficial use of water, and we are up to date.
- As of March 1, 2004, Clint has not billed us for his work on the system in 2002 or 2003.
- Alan discussed insurance issues with Jon Zusy. As per Jon, we probably don't need property insurance yet, since no one is using the system, and so cannot be hurt by it. However, he agreed that liability insurance might be a good idea.