

## Lions Head Water Users Association Annual Meeting Minutes

August 7, 2011

4:30 PM

### Roll Call:

Alan Scott and Anne Meininger - Lot 14

Bill and Frances Powell - Lot 15

Greg Schamaun - Lots 10 and 12

Lots represented by proxy - Lots 11 and 13

### Proof of due notice:

Notice of this meeting was sent out on July 2, 2011.

### Reading and disposal of the previous minutes:

Anne Meininger, Secretary-Treasurer, indicated a slight discrepancy of the deposits indicated in the 2010 annual meeting minutes, and our ending balance was actually \$4,021.54. This amount was indicated correctly in the 2010 financial summary. No other changes were made to the 2010 annual meeting minutes.

### Nominations for Vacancy on the Board of Directors:

Alan Scott, Anne Meininger and Allen Bejda are on the ballot. There were no write in nominations, and no nominations were made from the floor.

### Report of the President or Vice-President:

Alan Scott mentioned that, as in previous years, the water system is currently servicing two homes, on lots 12 and 14. We do not know for certain of any hookups planned for the next year. The Donaldsons, owners of lot 16, could possibly be building within the next few years. Alan reported that the system is working well, with no problems within the past eleven months. The problems that we encountered about a year ago will be covered shortly. Clint Brooks, our water master, and his wife Jill bought lot 8, Elk Springs Ranch, within the past year, and Lion's Head would like to welcome them to our association. Alan then briefly discussed the access issues to the back-up well on Lot 8, Elk Springs, and also access to the primary well on Lot 15.

Alan then discussed the turning on of the back-up well on lot 8, Elk Springs. Lion's Head has been using the well on lot 15 as our primary well, as it is a much better well. Alan and Clint Brooks, our water master, felt that it would be prudent to turn on the lot 8 well to make sure it could function properly in an emergency. After the well was turned on, it performed well, and after about 10 hours, the well was chlorinated very well, and then shut off. Clint advised that we turn on this well again every 2-3 years. At the advice of Clint, we did not test the water at that point, due to the heavy chlorination. However, the water was tested in late May of 2011, and the water test for coliforms was negative.

Bill Powell then asked if we have to still show beneficial use of water by filling the pond on lot 11. Alan indicated that Lion's Head is no longer required to fill the pond, as supplying two homes on the system with water is adequate to show beneficial use according to the state of Colorado's mandates.

In answer to another question by Bill Powell, Alan clarified that whenever the owner(s) of a lot on the water system decide to build, the owner is required to pay for the cost for the pipe, and installation of that pipe, from that residence to the main water line. In addition, the owner(s) are required to pay for the cost of the water meter, and they must also have Clint Brooks, our water master, install that meter.

Alan then discussed the repair that was necessary in August of 2010. The problem occurred a few days after the lot 8 well was turned on for maintenance, but this problem was unrelated to the turning on of the lot 8 well. Alan happened to be walking the pipeline to make sure everything was fine after the lot 8 well had been turned on. Alan discovered water gushing from the upper cistern on top of the ridge. Alan quickly threw the appropriate breakers to shut the water off. When Clint investigated the problem he found a wire break or short. Because of that wire break or short, the pump at the upper cistern had a signal to keep pumping water up from the transfer station on lot 15, even though it wasn't needed. This resulted in the overflow of the 10,000 gallon cistern on the top of the ridge. Clint found that the wire break was caused by a rodent who had climbed down into one of the pipes that contains our electrical wires, and chewed through the wire. Clint was able to repair the wire. Unfortunately, some water had gotten into the electronics vault, and the vault had to be dried out with the use of fans. But because Alan had discovered the problem in time, the electronics in the vault were not damaged, which was extremely fortunate. Alan indicated that the electronics in that vault are probably worth approximately \$5,000-\$10,000. Lion's Head was spared much expense and inconvenience by Alan's discovery of the problem. Alan also completely dug out the box where the rodent had entered the pipe, and resealed the lid securely. Because the area gets muddy through the winter, the box had settled, but Alan has fixed the problem permanently, so this should not be an issue in the future. However, one possible future problem was brought to light by this incident. When Clint wasn't sure where the wire break had occurred, he was looking for a "splice box" about halfway up the pipeline between the transfer station and the upper cistern. He couldn't located such a box above ground. Alan and Anne also searched for this box, but couldn't find one. So it most likely has been buried over time, or doesn't exist. If we ever do have a wire break along that pipeline, which is about a quarter of a mile long, it might require a more expensive solution. However, it is just speculation whether this could happen in the future. We were fortunate in that the wire break occurred in the shorter pipe at the top of the ridge, so a much less expensive repair was required.

Alan then mentioned that Lion's Head is testing the water for coliforms and chlorinating the system once or twice per year. The costs for testing and chlorinating are being donated by the Scott-Meiningers.

Alan then indicated that the agreement between Elk Springs Ranch and Lion's Head has been posted on the Lion's Head website. Lion's Head is continuing to fulfill all legal requirements indicated by the agreement between Elk Springs and Lion's Head.

### Report of the Secretary:

Copies of the 2010 annual meeting minutes were sent out with the announcement last month for this meeting. All minutes and financial summaries are available on the Lion's Head website.

### Report of the Treasurer:

Anne Meininger reviewed the financial summary. The beginning balance on August 1, 2010 was \$4,021.54. Expenses included a total of \$858.06 for the electric bills, and \$1,933.25 to Brooks Well Service. The addendum to the financial summary shows the electric bills by the month, and expenses go up in the winter as we use more electricity to heat the transfer station. As explained in previous years, Lion's Head has three electric meters, and we pay a little over \$18 a month for each meter, whether we use electricity or not. This comes to about \$56 per month as a base cost. Anne mentioned that our electric bills were a little higher the previous year than the past year. This is most likely due to this past winter being slightly warmer than the previous one. Anne stated that it is clear from the financial summary that the two users on the system are paying their share for the incremental costs of pumping the water. In fact, at the present time, the users fees are paying our electric bills every year. Heating the transfer station continues to be the primary cost for electricity.

Anne then explained the expense item of \$1,933.25 to Brooks Well Service. \$507.19 of that amount was for work done in the spring of 2009, which wasn't billed until 2010. The larger bill of \$1,426.06 included both the maintenance work for the lot 8 well (about \$500), and about \$900 for the electrical repair. Alan mentioned that the next time we turn on the lot 8 well in 2-3 years, it probably won't require as much of Clint's time, as Clint educated Alan on what is required to turn on that well.

Anne then explained the deposits. The first item was a deposit of \$474.50 from the Craig Law Firm. This was a refund of a trust account which was set up by Ron Trujillo, the developer, with the Craig Law Firm. Lion's Head and Ron had been splitting the legal expenses incurred when negotiating an agreement with Elk Springs Ranch. When the agreement was completed, the Craig Law Firm refunded half of that trust account to Lion's Head, and the other half to Ron.

The second deposit item was \$2,000 for annual assessments, \$250 per lot for 8 lots. The third deposit item was the users fees of \$960. Users pay \$40 per month base rate for up to 10,000 gallons used, totaling \$480 per year per user. Neither user exceeded the base rate amount during the past fiscal year.

There was some discussion concerning the users fees. When Lion's Head had the very large bill of over \$4,000 two years ago, which required a special assessment of \$300 per lot, the users fees were increased from \$20 to \$40 per month base rate. The intention of the Board of Directors is to keep the monthly rate at this level for the present time, so we can build up more of a reserve fund in case of another very large repair bill. We want to prevent the need for more special assessments, if at all possible. The Board will continue to monitor the budget closely, and make adjustments to the monthly users fees if deemed appropriate, especially if more users connect to the system.

The total deposits for the fiscal year were \$3,434.50, giving an ending balance of \$4,664.73. This past year, Lion's Head's expenses were very close to the total deposits, if the deposit from the Craig Law Firm is taken as a bonus amount.

### Unfinished business:

There was no unfinished business.

### New business:

Alan reiterated that the finances for Lion's Head are stable at the present time. He stated that Lion's Head appreciated everyone's prompt payments. Lion's Head does not foresee any special assessments in the near future.

Bill Powell brought up the subject of the road washout by the transfer station. Alan explained that Cecil Thurman, the excavator, installed a pipe about eight years ago to stop erosion. However, at this point, a trench needs to be dug to prevent water from hitting the road in the first place, as the pipe might have been installed in slightly the wrong spot. Alan intends to address this issue, and dig a trench.

Alan then brought up the subject of installing some type of monitoring system on the upper cistern and at the transfer station. He explained the problem of cost/benefit with such a system. A monitoring system would involve installation of a phone line, which would be prohibitively expensive, as well as a land line expense of approximately \$360 per year. Also, the monitoring equipment itself would be very expensive. Another option proposed by Clint Brooks would be some type of float installed at the upper cistern, with some type of siren and red light. The problem with that solution is that only one lot (lot 14) would be able to see it, and only when they drove by. An alarm system at the transfer station might make more sense as far as visibility is concerned, but there all of the electronics are above ground, and that is not generally where we have had problems. So again, the cost/benefit does not seem to warrant the expense. So, for now, we will continue to closely monitor the system.

### Election:

Alan Scott, Anne Meininger and Allen Bejda were elected to the Board of Directors for a one year term.

### From the floor:

Nothing was brought up from the floor.

### Adjournment:

The meeting was adjourned at 5:45 PM.

Respectfully submitted,  
Anne Meininger, Secretary-Treasurer