

Lions Head Water Users Association Annual Meeting Minutes

August 2, 2018

3:08 P.M.

Roll Call:

Alan Scott and Anne Meininger - Lot 14

Dave Johnson – Lot 12

Lots represented by proxy – Lots 10 and 15

Proof of due notice:

Notice of this meeting was sent out on July 2, 2018.

Reading and disposal of the previous minutes:

No changes were made to the 2017 annual meeting minutes.

Nominations for Vacancy on the Board of Directors:

Alan Scott, Anne Meininger and Dave Johnson 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 welcomed Dave and Vickie Johnson (Lot 12 Elk Stream) and Ed and Deb Grun (Lot 8 Elk Springs) to Lion's Head Water User's Association. Alan also mentioned that we lost one member. Allen Bejda passed away the end of May. He has been our Vice President for over ten years, and he will be sorely missed. We send our condolences to Vickie, his wife.

Alan Scott reported that lots 12 and 14 are presently on the water system, and the system is working well. We know of no new hook-ups for the next year.

Alan then reported on the status of the dry hydrant to be installed to access water from the upper cistern. This will provide about 9,000 gallons of water for firefighters. This is an important asset for fighting house fires and very small brush fires. Alan stressed that this resource cannot be used to fight a large forest fire. Presently, there is no water for fire protection on top of the ridge, or most of the way down Road G.3. This is a smaller amount than normally desired (about 20,000 gallons). However, Alan talked to the Mancos Fire Department, and they felt it would be a very good asset if it was available. The upper cistern is located between lots 13 and 14 at the end of the lot 13 driveway. We're hoping to have Clint Brooks (our water master) install this during the coming year, hopefully this fall. Clint has the parts, and he needs to create a hole for installation of a large pipe in the upper cistern, which will then be closed off until it is used.

We also want to bring the lot 8 well (our back-up well) online during the next year. Alan explained that we like to do this every 2-3 years to spin the pump and flush the well. Alan mentioned that we don't want to lose that pump, as pulling and replacing a pump is very expensive. With the help of Clint Brooks, Alan donates his time to help with this process.

Dave Johnson asked how the water is going to be drawn from the cistern for the dry hydrant. Alan explained how water is delivered from the transfer station to the upper cistern. The lot 15 well on an as-needed basis pumps water up to the transfer station. The cistern in the transfer station holds 2,000 gallons. The transfer station on an as-needed basis pumps water up to the

10,000 gallon cistern on the top of the ridge. So the dry hydrant will be drawing water from that upper cistern. Alan explained that the only concern is possible contamination if that water is needed, which is not a concern when it remains closed. If we have a house fire or a small grass/brush fire, that is a much bigger concern than a contaminated water supply. Chlorination can de-contaminate the water system. If the dry hydrant is used, those users on the top of the ridge could be out of water for a short period of time. We can pull 40-50 gallons/minute from the lot 15 well. Dave Johnson then asked about the cost of this dry hydrant and installation. Alan estimated possibly in the range of \$2,500 or so. Alan added that we are not adding capacity, we're using existing capacity. Alan also mentioned that we he needs to put signage on the dry hydrant to alert the fire department where it is located.

Alan then mentioned that the danger of a forest fire could cost \$5,000-\$10,000 to replace the above-the-ground infrastructure. Dave Johnson asked what the cost would be to protect this infrastructure. Alan answered that he thought it could cost many thousands of dollars to put electronics into a vault at the two wells. So, in Alan's opinion, Lion's Head should leave things as they are until the need arises to replace the above-the-ground infrastructure as a result of either mechanical failure or a forest fire.

Alan then mentioned that we tested for coliforms this spring, and the results were negative. The costs for testing and chlorinating the system continue to be donated by the Scott-Meiningers.

Lion's Head continues to fulfill all the requirements of the Elk Springs-Lion's Head contractual agreement. Dave Johnson then had a few questions concerning the agreement with Elk Springs. Alan summarized the contents of the agreement and the process by which this agreement was negotiated. Alan made a point that a copy of this agreement is available on the Lion's Head website.

Report of the Secretary:

Copies of the 2018 meeting minutes as well as the 2018 financial summary will be posted on the website. Copies of all previous years' minutes and financial summaries are also available on the Lion's Head website.

Report of the Treasurer:

Anne Meininger reviewed the financial summary. Our beginning balance on August 1, 2017 was \$12,871.67. Our expenses totaled \$1,427.45 for electric bills. We pay about \$32 per meter per month, and we have three meters. This means that our base cost is about \$96/month whether we use electricity or not. Several years ago, Empire Electric really increased their monthly fee for the meters, and they lowered the cost per kilowatt hour. But, with three meters, that really didn't help our electric expenses much.

Dave Johnson asked where the three meters are located. Alan answered that they are located at the lot 8 well, the lot 15 well and the upper cistern. A power wire goes down from the upper cistern to the transfer station, and that is how the transfer station is powered. Everything down from the transfer station is controlled by a radio transmitter.

Since the meter cost increase in 2014, our electric bills have remained fairly stable, and they usually run between about \$1,400-\$1,500 per year. The addendum to the financial summary lists our electric bills by the month. Electricity expenses go up in the winter as we use more electricity to heat the transfer station. We're always concerned that the users are paying their share of the electric bills to pump the water. Our yearly users' fees are about \$960, so the users are paying a

good portion of the electric bills. Pumping the water is not our largest cost for electricity. Heating the transfer station is still our biggest cost for electricity, excluding the monthly costs for the meters.

Our deposits for the year were \$2,025 for annual assessments (\$250 annual assessment/lot X 8), but this year we had \$25 in late fees, so the total for assessments was \$2,025). We also had \$960 in deposits for monthly user's fees (\$40 per month per lot on the system using up to 10,000 gallons/month, and we have two lots on the system), This brings us to an ending balance of \$14,429.22

Fortunately, we did not have any repair bills during this fiscal year. We do anticipate the possible cost of bringing the lot 8 well (backup well) online sometime during the next year, as well as the cost of the dry hydrant and installation. We estimate that the cost for these two things might be in the \$2,500 to \$3,000 range.

We continue to maintain our reserves, as a water system is very unpredictable, and we could have a large repair bill at any time. For example, several years ago we had a large emergency repair bill of nearly \$5,000 when a pump burned out. At that time, we had insufficient reserves, which necessitated a special assessment. We wish to avoid the need for special assessments in the future. As Alan discussed, with the drought situation and the possible risk to our transfer station and above-ground electronics, we feel that having money reserves is a wise approach.

Unfinished business:

There was no unfinished business.

New business:

Alan reiterated that at present our financial situation is stable, and we are appreciative of prompt payments. We have already discussed the need for money reserves, the need to turn on the lot 8 well, and the installation of the dry hydrant at the upper cistern. We currently don't foresee the need for any special assessments in the near future.

Election:

Alan Scott, Anne Meininger and Dave Johnson 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 4:10 P.M.

Respectfully submitted,
Anne Meininger, Secretary-Treasurer