

Lions Head Water Users Association Annual Meeting Minutes

August 9, 2019

3:10 P.M.

Roll Call:

Alan Scott and Anne Meininger - Lot 14

Vickie and Dave Johnson – Lot 12

Ed Grun – Lot 8 Elk Springs

Lots represented by proxy – Lots 11 and 13

Proof of due notice:

Notice of this meeting was sent out on July 7, 2019.

Reading and disposal of the previous minutes:

No changes were made to the 2018 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 mentioned that we still have two houses on the system, Lots 12 and 14. We do not know for certain of any new hook-ups planned for the next year. The Storms, who recently purchased Lot 15, might possibly be hooking up to the system in the near future. Ray and Michelle Lunnon recently purchased Lot 10. We would like to welcome both the Storms and the Lunnons to Lion's Head Water.

A dry hydrant was installed last summer, and was added to the upper cistern on the top of the ridge. A dry hydrant is basically an empty pipe inserted into our cistern for firefighters to draw water. This cistern is a 10,000 gallon tank, filled with about 9,500 gallons of water that supplies water to the four upper lots on the system. This water would be invaluable for firefighters in case of a house fire, a tree fire or a brush fire. Unfortunately, it is not sufficient for a forest fire. Alan mentioned that signage and communication with the Mancos Fire District still needs to be done. Alan stated that every time he goes over to the Mancos Fire District, which is usually on a weekend when he is here, they are not in the office since they are volunteers. He also mentioned that their website has a broken link. Alan asked if Vickie or Dave Johnson could go over there to tell them about this dry hydrant. Dave Johnson stated that we are also in the Fort Lewis Mesa Fire District, since the four lots on the ridge are in both Montezuma and La Plata Counties.

Dave explained that he needed a permit to burn last year, and was told he needed permission from Fort Lewis Mesa. He contacted them, and was told that they needed to come up to his property to see what he was planning to burn. Dave asked why he had to deal with them instead of Montezuma County, and was told it was because his house is in La Plata County. He was also told that if he had a house fire, Mancos Fire District would come because they are closer, but Fort Lewis would come also. Dave also mentioned the dry hydrant when they came to his property, but it was not installed at that time. Dave also mentioned that he wanted to burn again this spring, but

unfortunately, they don't give you a permit for a year. Fort Lewis Mesa came again to his property, but they were only willing to give him a permit for a month. Alan asked if he wanted to burn would he need to contact Fort Lewis Mesa because Lot 14's house is also in La Plata County. Dave said that was the case, even if you were burning during the winter months. They want to do an inspection every time you burn, and after seeing the situation would give you a permit. Anne Meininger asked if we're burning on the Montezuma side of the property, do we need a permit from the Mancos Fire District. Dave didn't think so, but advised us to inquire before burning.

Dave then said he would try to get down to the Mancos Fire District and get them to take a look at the dry hydrant. Anne reiterated that we need signage of the dry hydrant, and Alan said that it might be a good idea to put a sign at the upper switchback, and also at the foot of Dave's driveway.

Alan then mentioned two more facts concerning the dry hydrant. First, Clint Brooks (our water master) had to figure out which connector to use, and found out that the connectors are different between Mancos, and for instance, Durango. Clint decided to go with the local one. Secondly, if firefighters ever use the dry hydrant for a small fire, we have to consider the water system contaminated, as they would attach a dirty pump to start pumping water out of the upper cistern. The system would then need to be decontaminated, requiring chlorination. Dave then asked how long it would take to refill the upper cistern. Alan estimated about 3-4 hours since the Lot 15 well pumps at approximately 50 gallons/minute. Alan stated that it would be a "one shot" to use it.

Alan then talked about the pipe break on the Lot 8 (Elk Springs) well. He explained that when the well was installed, there is a pipe that comes up from the pump and goes sideways outside of the well casing down about 4-5 feet. The area around this is settling, which is natural. Clint Brooks and Alan attempted to turn on the Lot 8 well last fall. Alan mentioned that we try to run this backup well about every 2-3 years. When turning the well on this time, water was not moving into the system, and a main pipe break was discovered at the well. In order to repair this pipe break, Clint is going to bring in his backhoe, spin the pump, repair the pipe break, and will then smooth things over. Clint is planning to do this repair this summer, probably coordinating this call with other projects he is working on in Elk Springs/Elk Stream, thus minimizing travel costs for his clients in East Canyon. Alan stated that he expected our financial reserves to be more than adequate to cover the cost of this repair. Ed Grun, the owner of Lot 8 Elk Springs, requested that he be alerted when Clint plans to come. Alan then stated that we still need to bring the Lot 8 well back on line this coming fall or spring.

Alan then mentioned that we tested for coliforms this past spring, and the water tested negative for coliforms. The cost of testing and chlorinating the system is donated by the Scott-Meiningers.

Report of the Secretary:

Copies of the 2018 and the upcoming 2019 minutes will be posted on the Lion's Head website, as well as the financial summaries from 2018 and 2019. Copies of all the previous years' minutes and financial summaries are available on the website.

Report of the Treasurer:

Anne Meininger reviewed the financial summary. Our beginning balance as of August 1, 2018 was \$14,429.22. We had electric bills of \$1,569.00. Anne has explained this in previous meetings, but we have three electric meters on the system, and Empire Electric charges about

\$32/month/meter whether you use electricity or not. That means we have a base cost of about \$96 per month, or about \$1,150 per year just for the cost of the meters. Dave asked last year where these three meters were located, and for Ed's benefit, these meters are located on the Lot 8 well, the Lot 15 well, and at the upper cistern. Empire Electric back about 2014 really raised the cost per meter, and lowered the cost per KWH. With the cost of three meters, that hasn't helped our electric bills, as we pay more for the meters than we pay for electricity. Our electric bills have remained fairly stable since that increase in the per meter cost, about \$1400-1,500 per year, and this year they were a little over \$1,500. The addendum to the financial summary shows the electric bills by the month. You can see that our bill goes up during the winter months as we heat the transfer station, and goes down during the warmer months of the year. We're always concerned that the two users on the system are paying their share of the electricity costs for pumping the water. Each user pays \$40 per month for up to 10,000 gallons, with an increase in cost for using in excess of 10,000 gallons per month. Therefore, the users' fees are \$960.00 for this year since the users did not exceed that 10,000 per month threshold. With this amount, we feel that the users are paying more than their share for the electricity costs. Actually, pumping the water is the least expensive electricity cost. The base cost for the meters is the most expensive cost, and second is heating the transfer station.

Our expenses for Brooks Well Service were \$1,829.47. This included the cost for the dry hydrant and its installation. Also included in these expenses is Clint's charge to troubleshoot the Lot 8 well pipe break when he was turning on the Lot 8 well. Clint likes to turn on the Lot 8 well so that he can monitor the amperage draw. Clint will be turning on the Lot 8 well again when he repairs the pipe break. This will allow Alan to do the flushing, chlorinating, etc., which takes a good portion of a day when this backup well is turned on. Alan being able to do these procedures rather than Clint saves Lion's Head a significant amount of money.

That brings us to total expenses of \$3,330.16. Our annual assessments are \$250.00/lot X 8 lots, for \$2,000.00 and \$960.00 for users' fees. That gives us deposits of \$2,960.00 and an ending balance of \$14,059.06. We continue to maintain our reserves, as repairs and maintenance costs for a water system are unpredictable. For instance, several years ago we had electronics and a pump go out at the upper cistern which cost us in excess of \$5,000.00. We could incur a large repair bill at any time. Fortunately, we had good moisture last winter, spring and into the summer which helped to ease our extreme drought. However, we were talking at last year's meeting about the danger to our transfer station and our above-ground infrastructure, whether it be from a fire or mechanical failure. This water system was put in in 2001, so it is 18 years old at this point.

We will also incur expenses for the pipe break repair and for bringing the Lot 8 well online. We're not sure what that will cost – perhaps \$800-1000? We see the need to have reserve funds for unexpected expenses, and we strive to avoid the need for special assessments.

There was some discussion about the need for reserve funds. Alan cited again the large repair bill, which was incurred when the water company was young, and we needed a large special assessment to cover that expense. Alan then gave a brief explanation of what caused our electronics and pump to fail at the upper cistern. Since then, we have continued to build up our reserves. Ed Grun then asked if everyone had paid their annual assessments. Alan stated that everyone has paid their dues every year with one exception, when we extended the deadline due to an owner having financial difficulties. Ed noted that our expenses exceeded our income this past fiscal year. Alan replied that we are not concerned due to our adequate reserves. Ed also asked if we have eight houses on the system, will there be enough water and pressure. Alan reassured him that both are more than adequate.

Unfinished business:

There was no unfinished business.

New business:

Alan reiterated that our financial situation is very stable, and even with the problem with the Lot 8 well, we see no financial concern. We intend to keep the reserves about where they are now in order to be fiscally responsible. If another house comes onto the system, we will reassess at that time.

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