

Lion's Head Water User's Association Annual Meeting Minutes

August 4, 2023

3:04 P.M.

Roll Call:

Alan Scott and Anne Meininger – Lot 14
Mike Hayden and Karen Hoffmann – Lot 16
Dave and Vickie Johnson – Lot 12
Ed Grun – Lot 8, Elk Springs
Proxies: Todd and Lisa Buck – Lot 13 and Vickie Bejda – Lot 11

Proof of Due Notice:

Notice of this meeting was sent out on June 30, 2023.

Reading and Disposal of the Previous Minutes:

No changes were made to the 2022 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 the water system is currently serving three homes, which are Lots 12, 14 and 15. The Hayden-Hoffmanns will be building a home on Lot 16, and we anticipate that they will be connecting to Lion's Head Water sometime within the next year. Alan said we request that Brooks Well Service installs their water meter.

The Queens (Lot 13) have sold their lot to Todd and Lisa Buck. We wish to welcome the Bucks to Lion's Head.

Alan then reminded everyone that we have raised the base amount of water usage to 20,000 gallons/month from 10,000 gallons/month for each user. There is an overage charge for each additional 10,000 gallons over the 20,000 gallon limit. These overage charges are on the website.

Alan then mentioned that we did run the Lot 8 well (our back-up well) last year. This back-up well needs to be run every 2-3 years. Alan did chlorinate the system at that time. We also had Clint Brooks, our water master, clean the cistern in the transfer station, as it had accumulated sand and mud over time. At the same time, Clint installed a low-water alarm system. The transfer station divides the lower system (Lots 10,15,16 and Lot 8 Elk Springs) from the upper system (Lots 11,12,13 and 14). Generally speaking, the lower system has been more problematic. This alarm system will alert us when the cistern in the transfer station goes lower than about half-full. About a month after it was installed, the alarm went off. John Storm (lot 15) heard the alarm, called Alan, and Alan instructed him to go down to the Lot 15 well. The breaker on the well had popped, and John reset it, which solved the problem. In the spring, the alarm went off again, and this time Dave Johnson debugged the system. It wasn't a simple breaker this time; this time, the electronics on the well had locked down. With Alan's and Clint Brook's help, Dave was able to unlock the electronics. The speculation is that it was a power spike from Empire Electric. Alan explained that the electronics are good at protecting the well from, for example, power spikes.

Alan then said that in the summer of 2022 we tested the water for coliforms and E. coli, and the results were negative. We then tested the water this summer in mid-July, and unfortunately, this time the water was positive for coliforms (but negative for E. coli). We then told everyone on the system to use bottled water, or to boil their water until the system was chlorinated. When Alan checked the transfer station, he found that the lid on the cistern was not properly anchored down. He found a lot of bugs inside the cistern. Alan spent several hours removing the bugs. That process didn't get rid of the coliforms, so Alan was going to chlorinate the system. The alarm had gone off again, and the transfer station cistern was out of water. The upper cistern on top of the ridge had called for water, and drained the transfer station cistern. That shouldn't have happened, as the Lot 15 well should have filled the lower cistern. Alan then went down to the Lot 15 well, and found that the light system on the electronics indicated an overdraw. Alan explained that an overdraw means it is overdrawing voltage due to more resistance than there should be. This might be the same thing that Dave Johnson saw last spring. Since this might have happened more than once, Clint Brooks said that it might be the well pump rather than an Empire Electric spike or a lightning strike. Alan further explained that the bearings in the pump might be starting to increase friction, which could cause an overdraw situation. After Alan reset the electronics, the well started pumping water again. We're going to keep a close eye on that well. Alan asked Clint for a rough estimate of the cost of a new pump, and he answered about \$6,000. Lion's Head does have a back-up well (lot 8, Elk Springs), but it would be more of a challenge to run that well because there is no wireless signal, so it would default to "ON" instead of turning off. You would need someone to manually turn it on and off. That isn't a big problem unless it happens in the dead of winter, when you would have to snowshoe in.

To alleviate the coliform situation Alan is going to chlorinate the well, the transfer station, and the upper cistern, and then flush the chorine through the system. This usually takes about half a day. We will then retest the water in a few weeks.

Mike Hayden asked Alan if he could show Mike the system after the Elk Stream annual meeting tomorrow. Alan replied yes, and said that the more people we have who are familiar with the water system and how to debug it, the better.

Alan then mentioned that the costs of testing the water and chlorinating the system are being donated by the Scott-Meiningers. Alan also thanked John Storm and Dave Johnson for their help in debugging the system when Alan is down in New Mexico. Unfortunately, we will be losing the Johnsons, as they are moving to Durango.

Report of the Secretary:

Anne Meininger mentioned that all previous annual meeting minutes and financial summaries are on the website.

Report of the Treasurer:

Anne Meininger reviewed the financial summary. Our beginning balance on August 1, 2022 was \$6,680.69. Expenses included \$1,721.66 for the electric bills and \$1,951.30 to Brooks Well Service for cleaning and flushing of the transfer station cistern and installation of a low water alarm. That low water alarm has already served us well three times now. It was expensive, but it has been proven to be invaluable. Thus, our expenses totaled \$3,672.96. On the second page of the financial summary you see the electric bills by the month. Generally, the electric bills increase in the winter months because we use more electricity to heat the transfer station. Back in February, we received a credit of \$54.39. This is because Empire Electric is a co-op, and occasionally they will issue a credit. Alan then mentioned that when he was recently in the transfer station, the heater was on. Obviously, it should not be on in the summer. Somebody had accidentally rubbed on the dial on the heater. Instead of being on low, it was on high, which might explain why our electric bills were higher than normal this summer. Alan thought that putting a piece of duct tape on the dial might prevent this problem. Anne then mentioned, as in past years, that Lion's Head has three electric meters. Unfortunately, Empire Electric charges about \$36/month/meter whether we use electricity or not. So we're already paying over \$100 per month just for the meters.

Our deposits totaled \$4,160.00. This included \$2,000 in annual assessments (8 lots X \$250/lot) and users fees of \$2,160 (\$60/month X 12 months X 3 lots). We are always concerned that the users are paying their fair share of the electric bills for the pumping of the water. As you can see, we are collecting more in users fees than the cost of the electricity. So with expenses of \$3,672.96 and deposits of \$4,160, our ending balance as of August 1, 2023 is \$7,167.73.

Karen Hoffmann asked if we had looked into an interest bearing checking account. Anne explained that with our usual balance of \$10,000 or less, the gain would be minimal, as this type of account only pays much less than 1%. Alan also mentioned that Elk Stream, which has a much higher budget, does have such an account. However, this requires filing a tax return which is not worth the hassle for us for such a minimal amount of interest.

Unfinished Business:

There was no unfinished business.

New Business:

Alan mentioned that as of yesterday, our financial status was stable. As of today with his phone call with Clint Brooks concerning the estimated cost of a new well pump, our financial status is more uncertain. As a general rule, we try to keep \$10,000-\$12,000 in case we need a new pump or there are other repair costs. We had to replace a pump in the transfer station about three years ago which cost close to \$5,000, which did decrease our reserves. We also had to replace a transmitter a few years ago which also cost close to \$5,000, again decreasing our reserves. Anne then said that this year we just about balanced out, and were not able to build reserves. Alan then said that if we need to install a new well pump, our reserves would not be adequate, and we would need a special assessment. This will depend on how the well pump works in the coming months. Alan then said that one thing he has learned over many years is that surprises are normal with a water system. We have a 22 year old water system, and parts are getting a little older than they were. Another thing that Alan mentioned is that the numbers you see are artificially high, as the high point with our budget is about now, with our annual assessment of \$2,000 and the \$1,080 that we receive from the users in early July (six months of users fees).

Ed Grun then brought up the issue of a special assessment if needed. He commented that in order to increase our reserves, we may want to raise the monthly users' fees, as these lots benefit more from the water system. Alan replied that Ed made a good point. In the beginning, we were charging \$20/month per user; then it was increased to \$40, and now it is \$60/month. We will raise water rates again, if needed.

Dave Johnson asked about serving his term once he moves to Durango and sells his house. Alan replied that we would find a replacement for the Vice-President position when the time comes.

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 3:55 P.M.

Respectfully submitted,
Anne Meininger
Secretary-Treasurer