

Saddle Ridge Water Company

2012 Meeting Minutes

Tuesday, December 18th @ 10:00 AM

Call to Order

The annual Saddle Ridge Water Company meeting was called to order at 10:05 am on Tuesday December 18, 2012.

Roll Call was conducted and a quorum was established with the following owners present:

Lot #1- Laurel & Kim Hansen- Proxy Given to Jonathan Rose

Lot #2, #8- Doug D'Apuzzo via phone

Lot #11, #12- Hans Helmerich via phone

Lot # 14- John Rosen via phone

Lot #16- Jonathan Rose via phone

Ross & Mariann Sears- Proxy given to Rachel Donnell

Rachel Donnell

6 Taps Roscoe Development, (Doug D'Apuzzo) via phone

Other People Present:

Michael Dawson, Attorney

Peak Property Management Representative(s) Present:

David Dlugasch, Peak Property Management Association Manager

Alex VanStone, Peak Property Management Association Assistant

Joan West, Peak Property Management Bookkeeper

David Jelinek, Water Manager

Proof of Notice:

Proof of notice of the meeting was acknowledged. Proof of notice and a meeting agenda was emailed out on November 12th, 2012.

- David Dlugasch mentioned that we have been trying to get an official meeting together, with a quorum. This is the first meeting to have a quorum. David wanted to thank everyone for attending to make this happen. Also, David wanted to extend a thank you to David Jelinek and Mike Dawson for attending.

Water Manager's Report:

- David Jelinek stated that it is in the best interest to replace the computer and the software for the Saddle Ridge Water Company. Saddle Ridge Water Co has had the same computer since 2002 and both the computer and software is reaching the end of their life term.
- Lately, there have been multiple issues; the computer shuts down every week or two, so we lose the data that is collected daily. This causes the system to not function in which the manner it was designed.
- It would be beneficial to have a working computer system. Purchasing a new computer, software, and the labor will be costly; however, David Jelinek is confident that the bid is a reasonable cost.
- The proposed budget for 2013 reflects the cost of \$5,400; however, this would only cover the labor. The package with labor, computer, and software would bring the total cost around \$10,000.
- The labor costs are expensive due to the integration within different software programs in order to make sure they all work together properly. The bid is from the company that originally installed the system back in 2002 so D. Jelinek is confident in their work. This company is also the only one recommended to deal with such an intricate system that requires specific expertise.
- D. Dlugasch had Cole at The Computer Guy take a look at the bid and Cole also recommended the company that originally proposed the bid to complete the work.
- Joan West mentioned that before a vote was conducted for the new system, keep in mind that line item will change from \$5,400 to \$10,000. The proposed budget is now closer to \$8,000 negative, but there is money in there to cover it.
- R. Donnell wanted to know if this change will affect the billing for 2013, and Joan West stated that it will not.
- D. Dlugasch also mentioned that last year D. Jelinek purchased enough supplies this year, like filters, ect to carry us through the year of 2013.
- D. Dlugasch would like to bring it to a vote and pass the budget for the new computer.
 - o Jonathan Rose motioned to accept the budget, with the line item change from \$5,400 to \$10,000. Hans Helmerich seconded that motion and it was unanimously approved.

Financial Report:

- Please see the attachments for all of the financial documents.
- Joan West stated that since creating this proposed budget worksheet, we did have a person tap in for usage.
 - o This means the income will change in SRRW's favor, and Miles Family Trust will be paying usage fees instead of availability fees.
- J. Rosen wanted to know what the legal fees cover exactly.
 - o M. Dawson explained that we are in the middle of the Breem ditch case with Skyland Metropolitan District, transfer water out of brim ditch and transfer flow rights, Legal fees are related to that.
 - o The Saddle Ridge Ranch HOA and Saddle Ridge Water Company are both opposing. We are trying to ensure we will get water out of the Meridian Lake to fill the augmentation pond every year. This would create sufficient irrigation water within the subdivision of Saddle Ridge Ranch Estates. The

key point for the Saddle Ridge Water Company is to make sure we are protected from a downstream call. If there is a call within the system from the East River down to Blue Mesa, this would protect the augmentation pond.

- D. Jelinek stated that we did have a call this fall on that water. We were required to release 1/3 of an acre of water from our augmentation pond.
- J. Rosen wanted to know why we have a \$660.00 annual telephone bill.
 - It is for the phone located by the computer system, it is an alarm and used to call out for emergencies.
- Joan West will be sending out the new annual bills in January for availability and usage fees. We will have the money in January for the computer.

Old Business:

- Breem Ditch Case:

- Michael Dawson brought us up to speed on the status of the Breem Ditch case.
- We did get disclosures from Skyland Metropolitan District and Colorado Water Conservation Board; our disclosure is due in January of 2013. M. Dawson has provided a copy of the Declaration to the main attorney for both Skyland and CWCB. In the next quarter, we will get the stipulation for our needs to fill the augmentation pond. As of right now, we are riding the coattails of more aggressive opponents, we are not hiring experts, and we are just looking out for two interests, SRR and Glacier Lily.
- D. Dlugasch mentioned that Saddle Ridge and Glacier Lily, on the HOA side have partnered and asked Mike to represent both parties.
- For more information on this subject, please contact Mike Dawson directly at MDawson@guclaw.com

- Roscoe Development Taps:

- Roscoe Development currently owns 11 out of 18 taps. It was originally designed to have the tap transferred at the same time as the lot sale.
 - Because it didn't work out like this, the Bylaws didn't make sense. So Doug D'Apuzzo and Mike Dawson revised the Bylaws to fit the situation better.
- Doug D'Apuzzo and Roscoe Development would like to find ways to encourage the HOA to buy taps.
 - The Saddle Ridge Water Company has the option to purchase available tap fees as well.
 - There are currently 6 taps for Three Valley's subdivision and they are not paying availability fees.
 - The added amendment now makes it possible to charge availability fees for these 6 taps, or they have the option to purchase them.

- It was unanimously approved to send Fitzpatrick and Guerrieri (3 Valleys) a letter from Mike Dawson informing them that we will charge availability fees. We will also invite them to be a part of the Saddle Ridge Water Company.
- Invoices for 2013 will go out January 2nd and Joan West will give a copy to Mike Dawson. Dawson will include his letter with the invoices.
 - We will bill Fitzpatrick for 4 taps at \$740.00 and 3 Valleys LLC for 2 taps at \$740.00 a year.
- Mike Dawson stated that we should anticipate them pushing back, but this will start the conversation about the number of taps and if/when they will purchase them.

Elections for Office:

- Based on the Bylaws, (Article IV 4.2), we are to hold elections annually.
 - o Class A Members (Sissy LaVigne/Joe Knox) elect one position for the Board of Directors.
 - o Class B Members elect two positions for the Board of Directors.
- Today, we can nominate the two positions from the Class B Members for the board.
 - o Doug and June D'Apuzzo are currently on the board and have been since the beginning. The D'Apuzzo's individually own 2 taps and Roscoe Development owns 11 out of the 18 taps.
- It was decided that both Doug and June D'Apuzzo will stay on the Board for the next term.

Establish Date for Next Meeting:

The annual 2013 meeting for the Saddle Ridge Water Company is set for December 17th, 2013 @ 10:00 am.

Adjournment:

J. Rose made a motion that the meeting be adjourned. D'Apuzzo seconded the motion and it was approved unanimously.

Meeting was adjourned at 11:03 am.