

Saddle Ridge Ranch Estates Water Company
2019 Special Members Meeting Minutes from
Monday, August 12, 2019

10:00 A.M. @ Peak Property Management and Sales, 318 Elk Ave.

MEETING MINUTES

Call to Order/Proof of Notice/Roll Call

The SRRE Water Co. special meeting was called to order at 10:03 A.M. on Monday, August 12, 2019 at Peak Property's office. The meeting notice was emailed and mailed out on July 26, 2019, and the meeting packet was emailed out on August 7, 2019. The meeting was represented by the following owners and a quorum was established for an official meeting.

Shareholders

Attended in person or by phone call in.

Proxy Provided

		Class A Shares	Class B Shares	Lot/ Address
Outside Saddle Ridge Estates				
	Joe Knox (for Sissy LaVigne)	7		Unassigned and Lots 1 & 2 Foxtrot
	Scott Matzelle	1		921 County Rd. 317
Proxy to Joe K.	Lila Sessums	2		Foxtrot Lots 3&4
	Peter Esposito		1	1181 County Rd. 317
	David Esposito		1	1181 County Rd. 317
	Rachel Donnell		1	1200 County Rd. 317
Proxy to Rachel D.	Ross and Mariann Sears		1	1202 County Rd. 317
	Floyd E. Mcauliffe		1	1071 County Rd. 317
	Roscoe Development Corp		1	Three Valleys Lot 1
	Roscoe Development Corp		1	Three Valleys Lot 2
	Stig Somme and Ruth Overlease		1	Three Valleys Lot 3 (Mariposa Lane)
	Patrick ("Tracy") & Venita Currie		1	Three Valleys Lot 4 (40 Mariposa Lane)
Saddle Ridge Estates				
	SRE HOA		1	SRE Apartment
	SRE HOA		0.5	SRE Equestrian Center
	Roscoe Development Corporation		1	Lot 1

Welcome of Invited Guests

Non-voting Lot Owners as Invited Guests				
	Kim & Laurel Hansen			SRRE Lot 1
	Brian & Marina Levine			SRRE Lot 3
	Scott & Jeannie Jontiff			SRRE Lot 5
	Timothy Fretthold			SRRE Lot 7
	Alan Landman			SRRE Lot 9
	Upper Westside Partners: Dalton, Linehan			SRRE Lot 13
	Three Valleys LLC, Mike Guerrieri			Three Valleys Lot 1
	Sharkey, Brian and Ann			Three Valleys Lot 2

Peak Property Management and Sales

Tom Hein, HOA Manager

Confirm Owners Contact Info

Due to Colorado privacy rules Peak Property is not allowed to share homeowners phone numbers and email addresses. Please notify Tom or Peak Property of your contact info changes; mailing address, email, phone.

Approval of Members Meeting Minutes from January 28, 2019.

Tracy Currie made a motion to approve the January 28, 2019 meeting minutes. The motion was seconded by Tommy Pittenger, all were in favor, none opposed, and the motion was approved.

Managers Report

Welcome everyone to the Saddle Ridge Ranch Estates Water Co. special members meeting. The Board of Directors wanted to provide a mid-year update to review water operations, maintenance and repairs, and future planning.

Old Business (January 28, 2019 Agenda's 'New Business' items)

1. Guerrieri Delinquency Update
 - a. **2019 Meeting Results:** Further discussed in the 2019 New Business section.
2. Review Recommended Upgrades-Red lion or software upgrades, moscad's upgrades, water treatment
Equipment upgrades.
 - a. **2019 Meeting Results:** Further discussed in the 2019 New Business section.
3. Reserve Study
4. Open Forum
 - a. Membership; Who is an actual member/what qualifies for membership? Voting members?
 - b. **2019 Meeting Results:** The BOD's updated the meeting agenda between members (owners who have paid for tap fee/water shares and have voting rights) and Non-voting lot owners

as guest (owners who have not purchased tap fee/water shares). This is to clearly define voting rights.

New Business

1. Financial Report – Tom H.
 - a. **2019 Meeting Results:** The Water Co. operating account balance as of 6.30.19 was \$10,751.90 and \$7,000 in accounts receivable related to the Guerrieri issue which may or may not be collectable. A balance sheet, budget to actual, and cash flow analysis were provided in the meeting packet. The Board projects that the Water Co. will finish the fiscal year positive. Ron E. asked what were the legal fee's and would they amount to \$9k by the end of the year. The Board's response was 'No' they didn't anticipate that happening.
2. Guerrieri Update – Tracy C.
 - a. **2019 Meeting Results:** As part of the SRRE Water Co. development and getting water to the SRRE property from the wells along the slate river/rec. path, Three Valleys developer Mike Guerrieri gave an easement to SRRE to run their water lines thru Three Valleys property. As part of the agreement, Three Valleys has a position that no fees have to be paid until development on the lot or sold. SRRE Water Co. has a different position that the fees are owed. The Water Co. board has made an offer to Mike Guerrieri and will try to get it resolved before the next annual meeting at the end of the year.
3. Mt. CB Water Permit update-Joe K.
 - a. **2019 Meeting Results:** Significant progress has been made with the state of Colorado issuing a revised permit recognizing the issue brought up regarding low flows, and zero waste in released treated water. The state stood behind what they said and enforced it. Mt. CB water treatment plant discharge runs down a small creek by SRRE's water wells before entering the Slate River. Joe K. has been working to ensure our water quality.
2. Water System Overview-Tracy C.
 - a. Review of system by BOD's and Peak.
 - b. Immediate repairs/maintenance
 1. Computer System Upgrades-Red Lion
 2. Moscad's battery replacement
 3. Computer battery backup replacement (UPS)
 4. Freeze alarm sensor
 5. Well site electrical panel reinforcement
 - c. Medium-term planning
 1. Engineering Study
 2. Public System Reporting
 3. 10-year maintenance estimate
3. Repair/Improvement Assessment
 - a. **2019 Meeting Results:** Tracy Currie reported that there were a lot of unanswered questions after the last members meeting and the Board has been working since then to answer them; maintenance needs-current and future, financial resources for future repairs and maintenance. The Water Co. (water system) can be divided into two components. The first is the system operations that pumps, stores, treats and provides water to homes. This includes the wells, pumps, pipe infrastructure, treatment plant, storage tanks, etc. The second part of the system is the controls and monitors such as the computers, sensors, alarms, transmitting devices, etc. that watch, operate, and regulate the system. The system is well engineered and if an outage occurs in the controls part of the system the system can typically continue deliver water thru manual operation. Currently, the computer system

that controls and monitors the water treatment process is old, occasionally fails, and the Board with the water manager have chosen a new computer system for when the current one crashes. The Board's philosophy is to run it until it fails, but be prepared and act when necessary. The Water Co. doesn't have funds to replace and upgrade the system when needed. The Board has also decided that an engineering study is important to know three things: 1. what is the Water Co.'s 10-15-year maintenance plan, its cost, and build a reserve. Rough estimate is \$90K, 2. While under low demand is here a way to save equipment by turning them off, 3. what are the cost when becoming a public water system. The water system becomes a public water system when 15 or more homes are on the system and will fall under more state stringent requirements. The system and equipment are 20 years old now and repairs and upgrades are starting to be required. To build a reserve and pay for current repairs/maintenance the Board of Directors approved an assessment of \$41,176.97 which equals \$1,419.90 per class B member and lot owner due within 30 days. The Board is available anytime to answer questions or concerns regarding SRRE's water quality and availability.

Board of Directors

Current President: Doug D'Apuzzo

Current Vice President: Patrick "Tracy" Currie

Current Secretary: Joe Knox

Establish Date for next meeting-Tuesday, December 3, 2019

Adjournment

Joe Knox made a motion to adjourn the meeting, Rachel Donnell seconded the motion, all were in favor, and the motion was approved. The meeting was adjourned at 11:00 A.M. on August 12, 2019.