

SRRE Water Co. Board of Director's Meeting
1/26/21

Meeting Minutes

1) Call to Order

The meeting was called to order at 7:37 am on 1/26/21.

2) Establishment of Quorum

-Tracy Currie

-Doug D'Apuzzo

-Joe Knox

-Tom Hein, Peak Property

Roll call was taken and a quorum was present for an official meeting.

3) Review and approval of BOD's meeting minutes

-1/13/21

Joe Knox suggested a note be added to the meeting minutes regarding his Board position as Secretary/Treasurer.

Joe Knox made a motion to approve the 1/26/21 meeting minutes. The motion was seconded by Tracy Currie, all were in favor, none opposed, and the motion was approved.

4) Reports of Officers and Committees

None

5) Old Business

- a. Prioritize and Discuss work for the next 6 months

6) New Business

A. Legal Priorities

1. Huckstep Billing

- a. The Board discussed Huckstep's current invoice and what the BOD's wanted Huck to work on. Board reviewed Tracy's legal cost spreadsheet and it's estimated legal cost will be \$4,282 over budget. The Board agreed Huck needs more direction on what to work/focus on and ask how much his work will cost. Joe Knox mentioned Huck was charging owners \$350.00 for a stock certificate transfer and felt he was making money doing the transfers. Joe Knox questioned if Huck was right person to do and manage stock certificate transfers. The SRRE Water Co. Bylaws note transfer fee should be \$200.00. The Board questioned whether that was a Water Co. issue or issue between Huck and Water Co. members. The current stock ledger book is unreadable and needs cleaning up from Dawson legacy.

2. Multi-Residence Tap Issues

- a. The Board discussed multi-residence tap issues at 1200 CR 317 and how to approach the issue with the Donnell's. The Water Co.'s water decree does not allow 2 units/ residences / caretake units on one tap. There are 6 taps unassigned. The Board discussed the importance of this and agreed to pursue looking into it further. Specifically, look at the definition of a second unit in the Water Co. decree, definition of a second unit in Three Valleys HOA documents, and if any Water Service Agreements exist. The Board decided they did not need legal help with this at this time.
3. Items the Board May Need Huck to Work on
 - a. Assignment of Roscoe Shares and Roscoe transfer
 - Two shares (Guerrieri and Sharkey shares) Roscoe hasn't transferred to the Water Co. Doug stated Roscoe had a Water Subscription Agreement with Sharkey. Tracy Currie suggested Huck could help with this situation. The Water Co. doesn't want to take on the unassigned shares as the Water Co. would become responsible for future fees unless the Water Co. gets indemnification from both Roscoe and Guerrieri. Additionally, Tracy C. stated there were other issues tied to this that include who is responsible for Three Valleys infrastructure, refunding Sharkey's paid availability fees, and who gets the unassigned tap fees. Joe Knox felt these two issues could be resolved without Huck's help.
 - b. Guerrieri settlement
 - Joe Knox says the Bylaws state the owner of the water certificate shares (stockholders) should be the one the Water Co. bills for availability fees and not Guerrieri.
4. Peak Property's Management Agreement
 - a. The Board agreed the current agreement was drafted for an HOA and not specifically a Water Company. The Board felt some time would need to be spent drafting the agreement to align better with the Water Co. requirements and needs, and deferred working on it till June 2021. If a current contract exists, the Board suggested to amend and extend it.
5. Water Mangers Contract
 - a. Tracy Currie said the current agreement is not a proper sub-contractor agreement and the Water Co. could have some risk with unemployment insurance. The Board felt it was a reasonable risk and deferred it till June 2021 and work on it with the Peak Agreement. Additionally, the Board agreed that a back up operator was needed and would work on that with the Water Manager's agreement.
6. Clarification of the number of class B shareholders and fee obligations
 - a. Are all B shareholders responsible for all assessments and availability fees? Is the SRRE HOA responsible for fees and assessments. Are the number of shares 28.5, 29.5? This will need legal advice. Joe K. felt the legal shareholder should be billed. The Board deferred this till June 2021.

7. Who owns and is responsible for water infrastructure in SRRE, Three Valleys, Fox Trott, Esposito Line, Roscoe, Guerrieri.

a. Do Water Service Agreements exist between Water Co. and its users? Are Water Service Agreements needed between /with all parties? Legal doc's unclear. Who is responsible for maintenance and repair cost? Joe Knox's solution is that the Water Co. responsibility/liability stops at the curb stop at each residence. The Water Co. needs conveyances and assign the infrastructure to the Water Co. The board reviewed the Water Co. water decree regarding maintenance and operation of infrastructure. Dapuzzo stated that per Paragraph 5 of the Grant of Water System Easement and Agreement dated July 14, 2003 between the SRRE Water Company and Dolores LaVigne, the stated Purposes in the Articles of Incorporation dated June 16, 2003, and in the Purpose stated in the Bylaws, the "Water Company shall be responsible for any construction, operating and maintenance costs relating to the Water System, including (without limitation) any and all costs to construct the Saddle Ridge Pond, permit the wells, comply with the Colorado Primary Drinking Water Regulation, operate and administer the 97CW92 augmentation plan and to prosecute the diligence and other Water Court applications relating to the Water System and Decree in 97CW92" and that Water Company is "established as a nonprofit corporation for the object and purpose of owning, developing, administering and maintaining for the benefit of its members the water rights adjudicated in Case No. 97CW92 in Division 4 Water Court, State of Colorado, and the construction of the infrastructure necessary to provide water for (i) domestic and livestock use to a development consisting of 18 residential lots, an equestrian center, and an apartment at the equestrian center, and (ii) domestic use only on an additional 20 residential units."

Board reviewed 'Grant of Water System Easement and Agreement'. The Board agreed within easement areas the Water Co. is responsible for the infrastructure but questioned who is responsible for infrastructure outside easement areas. Do easements to maintain and repair water service lines exist for Three Valleys, Esposito line, and Camille Miles lines. The Board will look for documents that defines current operating theory that the Water Co. is responsible for infrastructure up to the curb stop. The board will work on negotiating and memorialize Service Agreements with SRRE HOA, Fox Trott, Roscoe, non-SRRE HOA members.

7) Schedule for next meeting
-2/11/21 @ 7:30am.

8) Adjournment

Tracy Currie made a motion to adjourn the meeting, Joe Knox seconded the motion, all were in favor, and the motion was approved. The meeting was adjourned at 9:29 A.M. on January 26, 2021.

