

Saddle Ridge Ranch Estates Water Company
Water Co. Members Meeting Minutes from
Thursday, January 7, 2021

10:00 A.M. by telephone (conference call in). The conference call in number is
970-349-5100 pass code 1234.

Meeting Minutes

1. Call to Order

The Saddle Ridge Ranch Estates Water Co. members meeting was called to order at 10:03 A.M. on Thursday, January 7, 2021 at Peak Property's office via conference call in, and a quorum was established for an official meeting.

2. Roll Call

Shareholders

Attended by phone call in.

Proxy Provided

Lot/Address		Class A Shares	Class B Shares
Outside Saddle Ridge Estates			
Moon Ridge LLC.	Joe Knox		
Lots 1 & 2 Foxtrot	Foxtrot ABL LLC.	200	
Foxtrot Lots 3 & 4	Lila Sessums	200	
921 County Rd. 317	Scott Matzelle	100	
1181 County Rd. 317	Blue Heron Partners-Brad Roberts		100
1185 County Rd. 317	David Esposito		100
1200 County Rd. 317	Rachel Donnell		100
1202 County Rd. 317	Jason and Allison Peet		100
1071 County Rd. 317	Floyd E. Mcauliffe		100
Unassigned CR 317	Kyleena Falzone & Eric Gowan		100
Unassigned	John Kiltz	500	
Three Valleys Lot 1 Guerrieri	Roscoe Development Corp		100
Three Valleys Lot 2 Sharkey	Roscoe Development Corp		100

Three Valleys Lot 3 (27 Mariposa Lane)	Stig Somme and Ruth Overlease		100
Three Valleys Lot 4 (40 Mariposa Lane)	Patrick ("Tracy") & Venita Currie		100
Saddle Ridge Estates			
Unassigned	SRE HOA		100
SRE Equestrian Center/Barn	SRE HOA		50
Lot 1	Marx & Natasha Bowens		100
Lot 2	Doug & June D'Apuzzo		100
Lot 3	Brian Levine et al		100
Lot 4	Alan Landman, Kathryn Zakar, Susan Silvester		100
Lot 5	Scott & Jeannie Jontiff		100
Lot 6	Peter Bakes		100
Lot 7	Kathryn Green		100
Lot 8	June D'Apuzzo		100
Lot 9	Cynthia Ruggero & Jan Stahl		100
Lot 10	Hans Helmerich		100
Lot 11	Hans Helmerich		100
Lot 12	Hans Helmerich		100
Lot 13	SRRE HOA		100
Lot 14	Ken Moore		100
Lot 15	Tobin & Heidi O'Donnell		100
Lot 16	Michelle & Peter Marketos		100
Lot 17	Tommy Pittenger		100
Lot 18	Ron Edmundson		100
TOTAL		1000	2950

Welcome of Invited Guests:

Non-voting Lot Owners as Invited Guests	
Three Valleys Lot 1	Three Valleys LLC. Mike Guerrieri
Three Valleys Lot 2	Sharkey, Brian and Ann
Lot 13	Upper West Side Partners LLC, C/O Michael Linehan

Other Attendees:

Tom Hein, Property Manager
Brenda Alagna, Accountant
Aaron J. Huckstep, Huckstep Law LLC.

3. 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 Brenda at Peak Property if any of your contact info changes--mailing address, email, phone.

4. Proof of Notice

The meeting notification was sent out October 29, 2020. The meeting was postponed, and the updated meeting notice was sent out November 23, 2020. The meeting packet was sent out December 28, 2020.

5. Approval of the Shareholder Meeting Minutes from January 13, 2020.

Tracy Currie made a motion to approve the January 13, 2020 meeting minutes. The motion was seconded by Hans Helmerich, all were in favor, none opposed, and the motion was approved.

6. Reports of Officers and Committees

1. Managers' Report

Tom H. welcomed everyone to the SRRE Water Co. 2020 members meeting and thanked everyone for taking time to attend. The manager's report was presented and included the following:

- a. There are numerous new members to the Water Co. and would like to welcome new members lot 1 Bowens, lot 7 Green, lot 9 Ruggero/Stahl, lot 16 Marketos, 1202 CR 317 Peet, 1181 CR 317 Blue Heron Partners, TBD CR 317 Falzone & Gowan, Moon Ridge John Kiltz, Fox Trot lots 1 & 2 ABL LLC.
- b. The Board of Directors have been working hard and have dedicated many hours working on the Water Co. engineering report and other Water Co. issues. An update was given later in the meeting.
- c. Summer 2020 there was one significant equipment repair necessary (ozone generator replaced) and the exterior siding on the water treatment plant was stained.

2. Water Manager's Report - Water Treatment Plant and Distribution System update for 2020

- The total water produced by the water treatment plant from Dec/2019-Nov/2020 was 619,000 gallons.
- The water system has 7 active water services on the lower zone of the distribution system fed from the 7,000-gallon concrete storage clear well. The upper zone has 5 active services fed from the 30,000-gallon storage tank. There are now a total of 12 active services within

the saddle ridge water system. Note: When the system has 15 services it will become a public water system and need to follow all requirements of the Colorado Department of Public Health and Environment (CDPHE) for a public water system.

- July 2nd – A new CD2000P ozone generator was installed.
- Backwash filter bags and media were replaced 9 times in 2020. Regular maintenance and repair were performed on the water plant piping, chemical feed systems and filters.
- Additional filter bags and media were purchased for 2021.
- Well SR-7 is the primary well in service with SR-5 as back-up.

3. Board of Directors Succession Planning

The Board talked about creating a committee of 2 or 3 members who would work as an executive committee joining Board meetings and maybe special project to become familiar with the workings of the Board. Any new board member would need time to learn and catch up. So, when the current board members terms come up, the new board would be ready to serve. Tracy Currie said it is reasonable to expect the Water Co. is going to need new board members in the next year, and the Water Co. needs interested members to participate right away for a smooth transition. Please contact any Board member or Tom H. at Peak Property if interested.

Per the Bylaws board member terms are one year and Class A shareholders have one board member and Class B shareholders have two board members.

The Water Co. is divided between Class A shares and Class B shares and the distinguishment between the two is the nature of the cost that is borne by the Class A and Class B shareholders and voting terminology. The Water Co.'s wells are down along Slate River and easements were traded for 10 Class A shares (trade for compensation) to get water thru adjacent properties to Saddle Ridge Ranch.

7. Election of Board of Directors (one-year terms)

Joe Knox was voted by the Class A shares as their Board representative.

Hans Helmerich motioned to renominate Tracy Currie and Doug D'Apuzzo as the Class B board members, Ken Moore seconded the motion, all were favor, no one against, and the motion passed.

Current President: Patrick "Tracy" Currie 2021

Current Vice President: Doug D'Apuzzo 2021

Current Secretary: Joe Knox 2021

a. Discussion and Possible Adoption of Tie-Breaking Procedure for Board Member Elections

The Bylaws do not speak to how to handle a tie break vote between board members. This an administrative issue that needs to be worked out over the next year.

Unfinished Business

a. Engineering Study Status

The Water Co. hired SGM Engineering to evaluate and analyze the 17 yr. old water system and what upcoming maintenance upgrades, repairs, and cost will be needed for specifically the next 10 years and then beyond. SGM was hired with several goals. One was to evaluate the existing infrastructure and analyze next 10 years of maintenance and upgrades, operational procedures to maintain the system properly and keep cost down and look forward and prepare to be a state regulated Public Water System. SGM's engineering study was not ready for the members meeting and will be presented to the members by a special meeting this spring and no later than June 30, 2021. The Board is working to understand the future cost and how it can be spread out over 10 years. David Esposito asked if the upgrades to become a Public Water System were increased capacity? Tracy Currie replied, 'No', the upgrades are to meet state requirements to be a Public Water System. The system has plenty of water and capacity, and SGM's report will confirm it. David Esposito asked if the Water Co. infrastructure was designed to deliver the expected capacity at full build out in the lower zone? Tracy Currie answered the system is not currently designed to deliver water equally between the lower and upper zone and does not present operation problems today, but the engineering analysis will determine if a modification is needed to connect the zones.

b. Mt CB Water & Sanitation Permit Renewal

Mt. CB Water and Sanitation is in the process of renewing their permit with the state of Colorado. The state ruled to impose previously unrequired state standard requirements and Mt. CB Water and Sanitation is appealing them and looking for waivers. This is important to the Water Co. because the Water Co. wells are close (1000 ft) to the discharge creek (Washington Gulch). Joe Knox led the effort to reinforce the states requirements to make sure the state did not provide those waivers in the litigating matters. It appears the state is not going to grant Mt. CB Water and Sanitation waivers and they are appealing thru administrative courts. Mt. CB Water and Sanitation has gone from 600,000 gallons a day of discharge to 1.2 million gallons into Washington Gulch. The state standard is Mt. CB will have to treat all discharge as if there was no water flow in Washington Gulch to dilute their discharge. The water runoff in Washington Gulch varies on the amount of water released from the Meridian Dam, irrigation rights, snowpack, weather, etc. and thus stream flow in Washington Gulch may not be enough to dilute wastewater discharge from Mt. CB.

c. Guerrieri Receivables

There is a Water Service Agreement between the owner and developer of lot 1 at Three Valleys and Roscoe Development. That WSA is being reviewed and discussions continue between parties. The Board hopes to have resolution on this in the next 6 months.

8. New Business

- ### a. Replaced Mike Dawson as Water Co. attorney with Aaron J. Huckstep, Huckstep Law LLC
- The Water Company hired Aaron Huckstep as the Water Co. new attorney replacing Mike Dawson. The Board felt it was time for a new set of eyes and perspective on the operation of the Water Co. Mr. Huckstep has been helping the Board to make sure all the legal infrastructure is in place for the way the Water Co. operates and should operate in the future. Mr. Huckstep has been in the valley over 10 years, has served on the Town of CB town council and is familiar with the inner workings of the Valley.

b. Public Company Preparations

As previously discussed in the Engineering Study section in 'unfinished business' part of the study is to determine the necessary steps needed to prepare to become a Public Water System. And understanding the different legal relationships between SRRE, Three Valleys, Fox Trot, and members along Gothic Road.

c. 2020 Financial Review and 2021 budget and assessment

An overview of the 2020 financials was given by Doug D'Apuzzo and Brenda Alagna. The Water Co. had a loss for 2020 and carry over loss from previous years that is resolved in the 2021 budget. The operating account had \$21,293.22 and the accounts receivable for the Guerrieri account is \$12,199.69 for a total asset amount of \$33,492.91. The Board approved the 2021 budget which included a \$500.00 assessment for the class B shareholders.

10. Establish Date for Next Meeting – TBD, no later than June 30, 2021.

11. Adjournment

Hans Helmerich 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 11:10 A.M. on January 7, 2021.