

Mountain Mutual Water Company
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The Annual meeting of Mountain Mutual Water Company was held at 10:00am, Saturday, March 26, 2011 at Rocky Mountain Chapel. The meeting was attended by 26 residents, 4 board members (Donna Brazill, Eric Cernyar, Jim Noble and Hope Christensen) and 2 employees (Don Hindman and Kevin Karloske).

The meeting was called to order by President Donna Brazill at 10:04am. The agenda was reviewed and a motion was made to approve the agenda by Jim Noble, seconded by Eric Cernyar. Secretary Hope Christensen read the minutes from the 2010 annual meeting. A correction was made to the minutes to remove Donna Brazill's name from the individuals who counted the 2010 ballots.

Treasurer Jim Noble reviewed the Financial Report. He noted that there will be a few corrections to the financial report due to accounting errors. He also discussed new efforts to collect accounts receivables. There is approximately \$45,000 to \$50,000 in uncollected funds. Forfeitures do nothing for the water company since the company only recoups the reinstatement fee of \$8000.00 when someone is going to build.

Donna Brazill stated the purpose of the meeting was to elect two board members. The proxy ballot was sent out without the boards review and stated there was three board members to be elected. However, the by-laws only allow for two board members to be elected in any one year, so the third highest person receiving votes would be appointed to the board. Donna introduced the individuals running, Eric Cernyar, Hope Christensen, Jean Olmstead and C. J. Thompson. Donna thanked Barbara Riley Cunningham for her on-going assistance with the Strategic Plan. Donna also introduced Kevin Karloske, a part-time field tech who has been a tremendous help.

Jim Noble reviewed the Strategic Plan highlighting the numerous items completed or in process and they are as follows. A new computer billing system, improving cash flow by changing focus on delinquent accounts from liens to collection, infrastructure improvements by mapping pipe line, completing engineering study, continuing to replace pipeline, adding part-time field staff (Kevin Karloske) to increase capacity for pipe laying, continuing the metering process, providing conservation tips to the members, cistern maintenance posted on website, minor improvements to the office interior, compiling an employee handbook-in draft, pursuing traveling training programs from Colorado Rural Water, implementing chlorination program ahead of state deadlines, developing an emergency response plan, developing policies and procedures-in draft, encouraging qualified candidates to run for the Board, and hold quarterly staff meeting.

Eric Cernyar presented a PowerPoint presentation on the Transmission Route options. In the 70's and 80's the pipe installed was 3" diameter with 150 PSI. There have been a lot of breaks in the existing lines within the subdivision with us using a Band-Aid situation to repair the breaks. The wells in Gillette Flats provide water to the storage tanks using a 6" line. Proper pressure must be maintained on a daily basis for all the storage tanks to remain full. Don tests the pressure daily, which presents challenges for the staff.

Next, Don discussed the water production at the May Queen tank which is critical to the other tanks. He also talked about the high quality of water in the subdivision and the senior water rights we have over Cripple Creek and Wrights Reservoir. Another project that is under way is taking GPS readings to get the subdivision's lines all mapped.

Don then discussed the upgrading and replacing of the transmission lines to the May Queen tank. The oldest lines are 35 years old, with a 3" diameter. He's looking at creative solutions to solving the transmission line replacement. Several challenges exist including going through clay, wet ground and large rocks. Many options exist to replace the existing line, using the existing route or taking a different route through BLM land and mining claims. Also, possible solutions for replacing the transmission line exist including pipe bursting. Pipe bursting would allow more pipe to be replaced in shorter amount of time

Don then made a comment that the current Board's commitment is formidable. They prioritize issues and act on them, including the mapping project, installations of the meters and the chlorination project. Don also discussed the challenges that exist because of our altitude and how that affects the storage tanks that are inter-connected. He recommended that the Deadwood tank be a priority to replace, increasing its capacity. The estimated cost for replacement would be approximately \$85,000.00. Don also reported on the internet reporting he receives daily from the pump house and that maintenance issues and improvements are happening faster with the addition of Kevin.

Barbara Riley Cunningham suggested there be a special rating assessment to fund the replacement of the tank and some pipe bursting. Currently, MMWC does have the funds to replace the tank.

Don then reviewed the need for chlorination. Unfortunately, we have to do it. The state is eliminating all exemptions. The system's water is tested at 5 revolving sights for bacteria. Don suggested that the need for cistern cleaning will decrease with chlorination as long as your cistern is sealed properly and ground water does not infiltrate your cistern.

Craig Laugerude asked about the cost for the new transmission line, with the current estimate at 1.4 million. Such an expenditure would require a general membership vote.

At 11:35am an intermission was called to count the votes. At 12:00, the meeting reconvened with Eric Cernyar, Hope Christenson and Jean Olmsted being voted onto the Board. Other issues that were discussed were the reminder of the deadline for meter installation being December 31, 2011. There are purposed fines for those who have not completed their meter installation by the deadline. Wes Kime asked if the membership could save money by installing meter pits in groups. Louise Noble took the responsibility to contact the pre-screened contractors to find out if they would discount if they had several customers in the same area to do at once.

The public session was opened up for questions. There were no additional questions. Jim Noble made a motion to adjourn the meeting, which was seconded by Hope Christensen at 12:20pm.