

Mountain Mutual Water Company
2018 Annual Meeting
4338 County Road 1, Cripple Creek, CO 80813
(719) 689-2527 Fax (719) 689-2530
April 21, 2018

The 2018 Annual meeting of the Mountain Mutual Water Company was held at 10:00 am on Saturday April 21, 2018 at the Cripple Creek Mountain Estates Property Owners Association Club House. The meeting was attended by eight residents, five board members (Ed Dunn, Jim Noble, Mike Bonar, Bill Martin, and Sherry Kramer), and five employees (Kevin Karloske, Cheryl Petrowski, Albert Snare, Louise Noble and Adam Sutton).

The meeting was called to order by President Ed Dunn at 10:01 am. A motion was made by Jim Noble to approve the agenda, Ed requested to remove the PowerPoint presentation of how the water system works from the agenda. Bill seconded the motion and all approved the revised agenda. Jim made a motion to approve last years meeting minutes, Bill seconded and all approved.

Ed introduced the staff, Louise Noble, interim General Manager, Kevin Kaloske, Albert Snare, and Adam Sutton, Field Technicians, and Cheryl Petrowski Administrative Assistant. Ed then introduced the Board Members, Jim Noble Treasurer, Bill Martin, Vice President, Mike Bonar Secretary and Sherry Kramer. Sherry was appointed to the Board at the April Board Meeting.

Ed asked for nominations from the floor for the open Board position, none were received. Ed asked for a motion to declare the election valid, Jim made the motion and Mike seconded and all approved. Bill Martin was unanimously re-elected with 89 votes and will continuing as a Board Member.

Tresurerer Jim Noble reviewed the financial report (the most current financial statement is attached to the minutes). MMWC income is generated from user fees, availability fees, water transfer fees, repairs (including labor), forfeitures, cistern inspections, and augmentation programs. Jim also explained that the newsletter is funded with advertising fees.

The number of delinquencies has increased and the number of homes has increased over the past year. This should increase revenues generated by users. However, many of the new homeowners are not paying in a timely fashion. Availability fees vary year to year, however are mainly stable. Special assessment number different due to the five-year payment vs every year payment. (I need Jims input, I don't think I captured everything correctly)

The fees are based on demand.

Total revenue for 2017 was projected to be \$444,000 however \$449,000 was collected. This increase was due to the number of past due accounts that were collected during the past year. The 2017 budget estimated a total of \$410,000 for major improvements, annual maintenance and operation fees (insurance, salaries, equipment, etc.) However only \$389,000 was expended. With all the new infrastructure improvements, MMWC assets grew by almost \$500,000.

From the special assessments paid, \$280,000 was spent on the projects to install the two new tanks (tanks 17 and 12). The installation of the new tanks was a big effort in 2017 and was completed mostly by in house staff, except for the actual tank construction crews. Ed explained that it made good fiscal sense to install the two tanks in a single season rather than spreading it over two years.

The new tanks have not been put into service yet. New piping is scheduled to be installed prior to putting the tanks in service. The installation of the tanks was an important and critical upgrade to the system. Bill Martin noted that installation of the two tanks was made possible by the members paying their 5-year special assessment in the first year. Jim wrapped up by stating that even with the installation of the two new tanks and other projects completed on the system, fiscally the company is on sound footing

Louise Noble provided the operational update. So far in 2018, several repairs to the system have been completed with more scheduled. This will include an upgrade to the pump house on Gillette Flats. The pump house will receive a new roof, new insulation and several valves are being upgraded.

Louise then gave an update on projects proposed for 2018. These include the installation of a new water line on Angles to relieve pressure on the older line on Troy; running a new line to the new tank 17; replacement of valves at various intersections to help improve leak detection and control; cleaning all the holding tanks as per State requirements; and completing the Sanitary Survey as required by the State (required every three years). These projects are in addition to any repairs that might be needed.

In addition the projects already mentioned we are beginning the process of changing out the old meters with new Master Meters at each residence. The old meters are obsolete. Testing of the new meters was completed prior to ordering them. Based on the test it is estimated that the time needed to complete the meter readings will decrease from several days to four hours per month. The meters will also allow for the quicker detection of leaks. The meters have been ordered at no expense to the users. The total cost of the meter project is \$114,000 plus installation time. A loan from the Colorado Rural Water Authority was used to fund the purchase of the meters. The loan was financially beneficial rather than using existing funds.

We hope to have all the meters replaced this summer. The entire staff will be working to complete this project. There were several questions regarding the meter battery life (10 years), how long it will take to switch out each meter (20 minutes to replace each meter),

and when will the meters project be completed (training on the new meters will be in June).

As mentioned previously, the new tanks are not currently operational. We are working with an engineer to design the new piping to ensure the new configurations will operate correctly.

Louise wrapped up by stating that 2018 will be a busy year.

Ed opened the floor to questions. Dennis Jones asked if the by-laws allow MMWC to sell water? Bill stated the Board would need to look into our water rights with the State and we would need to have a legal opinion prior to selling any water. Jim also stated the MMWC has a very old and good decree and our water rights are very solid.

Ed moved to adjourned the meeting at 11:04 am, Jim moved and Bill seconded, and all approved.