

Mountain Mutual Water Company
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2022 Annual Meeting
April 30, 2022

The 2022 annual meeting of Mountain Mutual Water Company (MMWC) was held at 10:00 am on Saturday, April 30, 2022, via virtual video conference call, due to Covid safety precautions. The meeting was attended by two residents, five board members (Ed Dunn, Jim Noble, Mike Bonar, Bill Martin, and Barbara Artimez), and MMWC General Manager Louise Noble.

The meeting was called to order by President Ed Dunn at 10:00 am. A motion was made by Jim to approve the agenda, Bill seconded the motion, and all approved the agenda. Barbara made a motion to approve last year's meeting minutes, Mike seconded, and all approved.

Election officer has tallied the votes for the two open positions. A total of 100 ballots were received. Bill moved to approve the election results and Ed seconded, all approved.

Financial Report – Overall the financial position continues to improve. Last year we were able to create some additional reserves. We had several large expenses last year and large expenses are anticipated for the next several years. The collections efforts continue to be a success.

MMWC changed accounting firms during the 2021/2022 fiscal year due to concerns in accuracy. MMWC will be instituting the use of QuickBooks. This provides greater accuracy between the office staff and the accountant. The new firm also will provide year-end statements and quarterly tax filings. Both changes will allow MMWC greater control and oversight of the finances.

Jim reviewed the year-to-year financial statements. We had increased revenue based on the funds received from the forfeiture reinstatement program; 199 forfeiture letters sent, 45 offers made, and 33 reinstatements. This helped the overall stability of MMWC. In addition, MMWC received a significant amount of income from delinquent members bringing their accounts current. This income equals a large amount of the income used to address infrastructure costs.

The new building funding will be addressed separately.

Overall operating costs were \$579,535.00. The increase over last year was generally based on employee costs, insurance, and utility increases.

The infrastructure costs were low due to pipe being previously purchased when the costs were low.

The 2021 net profit was \$57,425 allowing us to put \$50,000 into MMWC reserves.

Jim reviewed the Sources of Income graphic – MMWC will be concentrating on the availability and user fees in the future.

Jim reviewed the affordability of water based on the size of the district and based on income. Our water is affordable based on our number of residences.

Operational Update – Provided by Louise Noble. 2021 was a very busy year for MMWC. In July the water system was inspected by the State of Colorado via a Sanitary Survey. The inspection resulted in no violations or deficiencies. The inspection resulted in a few recommendations, which are being addressed as time and resources permit. The State has also increased our licensing requirements and MMWC now needs a Level 3 Water Operator. Don Hindman has completed the test to fulfill this role and will continue as the MMWC Water Operator. The State has also revised the annual requirements for lead and copper testing of the system, from annually to once every three years. This change is based on the lack of lead and copper service lines used in the system. In 2021, two miles of new pipe were installed and there were seven new home connections. Louise reviewed photographs of various repairs that were made during 2021. The field technicians were provided laptops to better monitor the system. Although the heavy equipment continues to be functional, both the backhoe and the forklift are nearing their end of life and will need to be replaced in the next several years. Due to continuing supply chain delays, new home applications are due by the end of April to allow time for the connection parts to be ordered.

We have a dedicated team that always goes above and beyond to keep the system in operation and MMWC functioning.

The new office plan was provided by Jim Noble. The excavation for the building was started in mid-April. Our technicians are currently removing the excess soil from the site. Both the septic and the cistern have been installed. And the IFC's will be on site in the next several weeks. The contractor is expected to start the building construction in mid-May.

The outlook and obstacles for 2022 were presented by Ed Dunn. In the near term, some of the heavy equipment will need to be replaced and operational costs (pipe and connection equipment) will continue to increase. In the long-term as staff retire, they will need to be replaced. The financial reserves will need to continue to increase to allow for MMWC to address any potential emergencies. MMWC continues to explore ways to generate revenue and obtain operating capital. The irregular use (summer vs winter users) results in changes in water demand which puts a strain on the system, this may be elevated by the increase in users. MMWC will also in the long-term need to hire another Level 3 Water Operator. Long-term concerns also focus on potential threats to existing water rights. As water becomes more valuable there are concerns from outside and downstream water users for our water. Also, regulations continue to increase and with those increases come potentially increased costs.

Ed opened the floor to questions: There were no questions.

Jim moved to adjourn the meeting at 11:43 am, Bill seconded, and all approved.