

BSWUA Minutes of 2022 Annual Meeting

September 7, 2022

Citizen's State Bank of Ouray

The meeting was called to order at 6:04 PM.

Proof of Notice to Hold Meeting

16 Members Attending in person:

Blackford; Earwood; Pilkington; David Moore; Giles; Norvell; Wood; Leeper; Dennison; Tocher; Willis; Pulbratek; Kubinyi; Lindsey; Tisdel; Knoll.

Member Boehnke attended by zoom.

Attending by Valid Proxy:

(Blackford: 11; Leeper: 1; Kubinyi: 5; Tisdel: 1)

Member Norvell presented a proxy from Member Cameron and Linda Moore. A discussion followed regarding whether he could vote by proxy at the meeting due to his delinquent billing status. Upon discussion and questions, it was found that the Articles of Incorporation provide that delinquent members cannot vote at the annual general meeting.

34 Members were therefore in attendance in person or by valid proxy. Per the Associations' Bylaws, the quorum requirement is 25% of the current paid membership (18 of 70 members). Therefore a quorum was present.

Directors Blackford and Tisdel were Present in person. Former Director Pandorf had resigned on August 8, 2022 because he had sold his house and was moving out of state.

Review / Approval of Minutes of 2021 Annual Meeting

Director Tisdel presented the draft minutes of the 2021 Annual Meeting.

Leeper requested some minor changes regarding the difference between closing agent, title company, and realtors. Member Norvell made a motion to approved the minutes with 2 minor changes. Dennison seconded the motion. The motion was approved unanimously.

Review Board of Directors Meeting Minutes 2021

Tisdel presented a summary of notes from directors meetings throughout 2021 and 2022. Primarily these revolved around setting up an electronic payment system for members in 2022; a website; and continued contract negotiations with the City. A question regarding delinquency accounts was discussed, and the process for collections and eventually shutting off at the tap following a series of notices to the delinquent member. For delinquent member

Cameron and Linda Moore, the specific actions to pursue collection and shut off was reviewed. The account status for delinquent member William Baker was also reviewed and discussed.

The difference between the Association Bylaws and Articles of Incorporation was also discussed, in relation to account delinquency and voting authority.

Presentation by Department of Local Affairs regarding Special District Questions

Joe Lavorini, Colorado Department of Local Affairs (DOLA) was present via zoom to present options for the Association to become a perpetual entity of a CRS Title 32 Special District. Tisdell explained that he had thought for some time that this type of entity status could be beneficial to the members, who have developed real estate based on the essential water utility that the Association has provided for 50 years. Tisdell explained that this type of entity could provide more certainty for members for the next 50 years, and preserve or enhance real estate values.

Lavorini explained the process and benefits of establishing a Special District, that many such districts exist throughout the State of Colorado. He explained some differences between non-profit corporations and special districts.

Norvell made a motion to direct the Board of Directors to further pursue questions and research around the formation of a Title 32 Special District. Kubinyi seconded the motion. The motion passed unanimously.

Reports by officers:

Update on Master Contract update process with City of Ouray

Tisdell explained that after 8 years of efforts, three city councils, and 6 city administrators, the City had voted on September 6, 2022, to approve a Second Addendum to the 1972 Contract between the City of Ouray and Bachelor Switch Water Users Association, to expand the total number of allowed taps to BSWUA, while deleting some obsolete provisions of the original contract. Requests to reduce the water charge to BSWUA members (twice the amount charged to City residents) were pursued extensively, but denied by the City. Investment fees were further discussed, and the possibility of revocation of a delinquent member's tap. Tisdell further explained that conversations had also occurred with Tri-County Water, as an alternate and possibly more affordable water provider. Further, discussion regarding water metering was explored. The City did not want to pursue inclusion of water metering in this Second Addendum, although the Directors had wanted to include some provision regarding metering in this Second Addendum.

Blackford summarized that he thought this was a good and needed update, and that the membership should vote to approve the Second Addendum. Tisdell presented the final version

of the Second Addendum, which had been signed by the City Mayor. Tisdell asked for approval by the Association of the Contract Addendum.

Blackford made a motion to approve the Second Addendum to the 1972 Contract. The motion was seconded by Norvell. The motion passed unanimously. Blackford signed the Second Addendum.

Financial Report

Tisdell presented the Treasurer's 2021 financial report.

Norvell moved to accept the financial report. Dennison seconded the motion. The motion passed unanimously.

Approve or establish 2023 Budget and Service Fee

Tisdell explained that the Association could set an annual service fee of up to \$200, and the various levels and reasons that service fees were set at different levels over the years. Generally, a service fee that results in a total bill with an even dollar amount makes bills more likely to be paid, and for easier accounting. For 2022, the total bill for most members was \$1,200, including the service fee of \$122.04 per tap. The total bill will be more governed by the billing rate established by the City each year sometimes in December, sometimes in January. Lindsey moved to establish a 2023 service fee not to exceed \$150 per tap. Earwood seconded the motion. The motion passed unanimously.

Election of Directors

Director Blackford announced that he would not be seeking another term after 42 years. The members thanked him profusely for his service and reliability.

Director Tisdell announced that he would not be seeking another term after serving since 2014, that 9 years was enough, now that the contract update with the City was complete, electronic payment system in place, and a website was established.

Dennison moved to elect Jen Norvell as a Director. Lindsey seconded the motion. The motion passed unanimously.

Norvell moved to elect Justin Dennison as a Director. Lindsey seconded the motion. The motion passed unanimously.

Dennison moved to elect Laszlo Kubinyi as a Director. Lindsey seconded the motion. The motion passed unanimously.

Blackford indicated that he would be willing to work with the new board regarding system maintenance and other items as needed. And explained that some transition would be needed to provide the new board guidance and background.

Tisdell requested that the members clarify when the Terms would start and end. Dennison moved to clarify that the above terms would commence on November 1, 2022, and continue through the calendar year 2023. Kubinyi seconded the motion. The motion passed unanimously.

The members thanked Blackford for his 42 years of service, and Tisdell for his 9 years of service.

Tisdell explained that a handover meeting would occur; and that document scanning and other record preservation items would be good to see happen.

The meeting was adjourned at 7:55 PM.

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Ben Tisdell, Secretary / Treasurer
