

**BSWUA Minutes of 2023 Annual Meeting
November 1st, 2023
Citizen's State Bank of Ouray**

The meeting was called to order at 6:04 PM. Note: This meeting was attempted 8/23/23, however quorum was not reached (12 people attended, needed 18 to meet quorum).

Proof of Notice to Hold Meeting

14 taps attending in person:

(P. Blackford; D. Moore; R. Willis, J. Dennison, E. Gregory; J. Sawyer; J. Wood; D. Mort, A. Leeper; J. Bremer; B. Keenan, L. Kubinyi; P. Lindsey; B. Tisdell).

3 taps (C. Murphy, B. Case, D. Crosier) attended remotely via Google Meet.

18 attending by valid proxy:

(Mort: 12; Sawyer: 2; Lindsey: 1; Kubinyi: 2; Tisdell: 1)

35 Members were therefore in attendance in person or by valid proxy. Per the Association's Bylaws, the quorum requirement is 25% of membership (18 of 70 members). Therefore a quorum was met.

Directors Sawyer, Kubinyi, and Dennison were present in person as was Vice President Lindsey, Secretary Bremer, and Treasurer Keenan.

Review / Approval of Minutes of 2022 Annual Meeting

Members waived reading of the 2022 minutes.

Difference between the Association Bylaws and Articles of Incorporation were discussed in relation to account delinquency and voting authority.

Reports by officers:

Update on 2022-2023 accomplishments:

President Sawyer summarized the interpretation of our Montrose lawyer on changing quorum limits. The board can make, change and amend bylaws by a majority vote, without a general vote from members. A Colorado statute (read aloud) dictates that the board cannot change voting requirements/quorum without a vote from members.

Since taking over at the end of October 2022, the current board and officers:

- Fixed IRS penalties incurred 2008-2021, as no tax returns were filed by the previous board. BSWUA had paid \$11,680 in fees to the IRS
- 2021 taxes were filed on paper, despite them being required to be filed electronically. The IRS charged \$3,800 in fees for 2021 alone.
- 2022 tax returns have been electronically filed and are up-to-date.
- J. Dennison spent many hours on the phone with the IRS and followed up with reasonable cause abatement requests asking to refund penalties. He was successful in getting the potential \$36,000+ in fees reduced, and is still pursuing getting over \$7,000 in fees already paid refunded.

- We had one resident who owed \$5,293 in past fees. We hired a lawyer (the legal fees of ~\$800 will be charged back to the resident) and were able to collect the past fees in full.
- We collected ~\$3,000 on other delinquent accounts
- We reviewed where BSWUA was keeping its money:
 - previous CD paying 0.1% interest was transferred to a Live Oak CD @ 5% interest (\$1,962 interest earned since May when money was transferred)
 - previous savings account at Citizen's State paying 0.05% interest was transferred to a Live Oak savings @ 4% interest.
- J. Dennison digitized all the boxes of papers dating back to inception of BSWUA.
- A walkthrough of the neighborhoods to create a GPS map of the shutoff valves was performed.
- L. Kubinyi helped resolve the ClearNetworkx issue with their mishap with some of the water lines.
- All directors and board members waived compensation, whereas the previous board took compensation.
- No functions are being contracted out (e.g. billing, etc.)

Financial Report

B. Keenan presented the Treasurer's 2022 financial report.

Action Items

- Vote on quorum: Currently bylaws require 25% of tap owners (=18 people)
- D. Mort wants to see representation from the east side (Board pointed out that B.Keenan is from east side)
- J. Dennison made a motion to decrease quorum to 20%. P.Lindsey seconded the motion. The motion passed. (Aye: 7 in-person members + 6 board/officers + 5 proxy; Nay: 2 in-person; and 12 proxy abstain)
- Votes on proxy votes: Currently allowed, although we would like to decrease the risk of "proxy hunting", so do we want to keep proxy voting, and if so, do we want to allow electronic proxy voting?
- J.Wood concerned that proxy voting is not representative of our members; encourage all to attend (in-person or virtually)
- J.Dennison suggested we could limit the number of proxy votes allowed to be represented per member.
- A motion was made and seconded to allow proxy voting. The motion passed. (Aye: 8 in-person, 1 virtual, 11 proxy; Nay: 5 in-person, 1 virtual)
- A motion was made and seconded to allow electronic proxies. The motion passed unanimously. An amendment to the bylaws will be made.

Open Forum:

- B. Tidel made a motion to remove directors' ability to make changes without approval of members. He wants changes to not take effect until the members vote on them. He emphasized that he wants a red-lined copy of the bylaws. Directors educated that these provisions have been in place and the board will alert members of upcoming changes prior to them taking effect. Motion was withdrawn.
- D. Mort wants to make sure we keep meeting in August. Directors assured him that the board intends to continue with scheduling the Annual Member Meeting in August. This was delayed due to not meeting quorum the first time on 8/23/2023.
- A. Leeper requested that a line be added to newsletters, inviting members to bring anything up at future meetings to please reach out.
- J. Wood would like to get a red-line copy of the bylaws to be sent to members.
- Director J. Sawyer discussed that there is an open option for any member to request a special meeting.
- D. Mort requested verification as to who is maintaining fire hydrants in Panoramic Heights? (There are also 2 in Whispering Pines.)
- P. Lindsey thought it was Ouray Fire Department
- J. Dennison thinks L. Kubinyi has historic documents that we can use to look this up and get back to D. Mort.
- J. Dennison discussed the possibility of adding a second shutoff in Whispering Pines, so we don't have to turn the whole neighborhood off.
- B. Tidel believes there was someone who tested fire hydrants every year for 50 years
- J. Dennison requested Rick Blackford to share his knowledge with us.
- R. Blackford stated he used to perform hydrant testing.

Election of Directors

BSWUA has 2 director positions elected by the members. That director appointed President is a 2-year term and the other two directors are 1-year terms. Currently, 2 positions for directors are open (both 1 year terms).

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

J. Dennison moved to elect P. Lindsey as a Director. B. Keenan seconded the motion. The motion passed unanimously.

The meeting was adjourned at 7:19 PM.

//SIGNED//

Jackie Bremer, Secretary
