

Minutes of the 2025 BSWUA Annual Meeting
August 27, 2025
Citizens State Bank building, Ouray

Call to order:

The meeting was called to order by President Laszlo Kubinyi at 5:02 pm.

Members present in person:

Laszlo & Kathryn Kubinyi, Justin Dennison, Bonnie & Gary Giles, David Moore, Kate Boehnke, Walter Handloser, John Pulbratek, Don & Jill Mort, Trey Scott, Drew Crosier, Wil & Marion Earwood, Kevin Karsh, Bill & Ginny Keenan, Rick Noll, Rick Blackford, Ben Tisdell, Tom Kelly, Henry Case

Members on Google Meet: Peggy Lindsey, Jen Sawyer

Votes by proxy: Curtis Cockrum by Trisha Oakland, Jerome Serman, Mary Bromirski, Diane Cridler, Samantha and Leo Caselli & Steve Chisam by Don Mort, Martin Rios & Vivian Pilkington by Justin Dennison, Earl Bashaw & Jake Evans by Laszlo Kubinyi

Proof of Notice to Hold Meeting:

Notice was sent out by Email, USPS mail and Google Meet invitational Email on 8/9/2025.

Proof of Quorum to Conduct Business:

18 tap owners in person, 2 on Google Meet and 10 proxies (30 in total, 14 required)

Reading of Minutes of the last Annual Meeting:

President Laszlo Kubinyi made a motion to waive the reading of the minutes
Justin Dennison seconded the motion. Members unanimously approved motion waiving of the reading of the minutes.

Report of Officers:

Laszlo Kubinyi, BSWUA President Report:

- Financially BSWUA is doing fine, nothing in arrears for filing
- Would like to address officer compensation
- Issues with double billing by city - discussed with Rodney Fitzhugh attorney, we have legal standing. Do we want to pursue it?

Reading of treasurers report :

By Justin Dennison Treasurer

A full report was posted on the BSWUA website, it was also available in paper form at the Meeting.

- 2024 just under 110k in assets
- Spent more than brought in and charged users less for water than paid. The Board felt we didn't need more than 100k in reserve
- Question on delinquent account and actions that can be taken
- Possibility of a new mayor and council members, maybe a better situation to negotiate. If so, should we ask the city to take over infrastructure and billing? If not, who has the right to turn off water, etc.

Miscellaneous agenda items:

Questions asked by users:

- Rick B: Concern about attorney's involvement in negotiations with the City
- Tom K: Concerns about plumbing components deterioration due to water quality
- Discussion of chlorination of water, state mandated levels (Kate B)

Board response/follow-up: Attorney Rodney Fitzhugh looked up Colorado Supreme Court cases. It was concluded that in case we would pursue legal action, the City has to provide a rational explanation for the double charge for BSWUA members, when the infrastructure and related maintenance is entirely owned/maintained by BSWUA. .

Ben T brought up the issue of the contract being invalidated, and that would be a complete loss of water. Suggests it is dangerous to litigate against the sole water provider. Also Ouray is a home rule municipality which gives them lots of leeway.

Ben Tisdell makes a motion to proceed no further in legal action.

Rick B: We can continue to meet with "changing of the guard", but avoid further expenditures. He points out that we are able to use unlimited water, which is a good deal.

Trisha O brought up her situation at 25 Chipmunk Place- illegal deeming of residence as ADU and double billing. The issue was resolved for now and charges rescinded but the city indicated possible changes to code in future that would make this issue arise again.

Justin D expressed concern with the current council and mayor, and that maybe we could have better negotiating power to get a renegotiation with litigation

Peggy L states city is currently not interested at all at this time

Tom K: What are the ramifications of a contract negotiation? Can they actually turn off the water- do we have a contract?

Ben T says no right for either party to terminate as long as the contract is being upheld.

Laszlo K stated that BSWUA should consider moving forward with legal action to bring them to the table. Beyond the double cost for water there are other issues that should be clarified or re negotiated with the City. Billy B delinquency issue is a case of point in issues with current contract. Brings up the issue of changing bylaws to allow for removal of tap.

Jen S chimed in as an attorney, not licensed in CO, says if we sue the city, they will not shut off water. It does not mean that we are not going to get tied up in court and just means we could move forward. She says if we have an attorney that has reviewed, we can have a real negotiation with the city to lower rates or change these issues.

Kate B disagrees with Jen S's position and is concerned about cost and possible outcomes. She feels we should not do anything with the current council.

Kate Bhoenke seconds Ben Tisdel's earlier motion to not start litigation at this time. Motion passes by majority.

John: Does the city supply water to any other county communities? Are they having problems? Laszlo says he is not aware of problems but they are small communities (7-8 houses). Trish asked if any others would be interested in joining renegotiations if we did so.

Jen S: Now that we have decided to try to renegotiate with the new city council, who will do so? We don't have another meeting for a year, we should not wait. Laszlo K brought up possibly using cases found by Rodney Fitzhugh.

Don M suggests negotiation should be by the officers. Question raised as to whether prior motion meant no litigation or no engagement of lawyer - can we engage a lawyer to join a negotiation?

Ben T says it is common for water districts to pay double but other points could be discussed

Laszlo K said we had previously discussed forming a committee to manage this negotiation- if there are a few knowledgeable people willing to take this up, it would be welcome.

Water quality brought up - is there any risk of stagnation and is our line being tested? For what we pay, can we be included in testing?

We receive water reports from the city but not sure if that accurately shows the quality of our specific area.

Laszlo K commented that hydrants were tested in May by Ed Witherspoon.

Laszlo K brings up compensation, he says by current by-laws the board of directors can charge \$6/hr for incidental work (such as assisting crews working on the pipes, etc.).. He asks that to be increased.

Don M asks what recommendations are. Laszlo K says \$20/hr is his suggestion. Don asks if this is the recommended rate for all officers when performing BSWUA work?

Kate B suggests we separate the emergency call (incidental service) pay from the meeting pay. Rick B asks about the compensation for the secretary/treasurer. Laszlo says Trisha O is being compensated \$35/hour until the flat rate can be determined. Laszlo points out that the officer's compensation in 2021 was \$1900. Since that year no one has been collecting officer's compensation.

Kate Bhoenke moves to make a motion relating to incidental services performed by directors \$20/hr, assuming time is well documented. Justin D seconds motion, motion passes by majority.

Justin Dennison makes a motion to amend Para. 6(B) of the Bylaws to authorize the Corporation to disconnect a member's tap from its water supply infrastructure, at the discretion of the Board of Directors, with costs incurred being the responsibility of the tap owner, should the associated account remain in delinquency for more than one (1) year. Motion passed by majority.

Discussion requested. Justin D explains we have a tap owner refusing to pay and we are limited to placing a lien. The property owner has the ability to turn back on water, so we have no recourse other than to cut tap off on the road.

Peggy L adds that this is the only way the City of Ouray will stop billing for tap. Trisha O brings up concern with timing and asks for a possible shift to directors discretion after one year, pointing to the situation she and Curtis C experienced in the city overbilling them for an ADU and the time would have taken if they had to resolve in court. Also Trisha O asks if we need a hard and fast rule for what seems like a singular issue.

Justin Dennison makes a motion to amend Para. 5 of the Bylaws to include revocation of membership certificates, at the discretion of the Board of Directors, should the associated account remain in delinquency for more than one (1) year. Motion passed by majority.

Justin Dennison makes a motion to amend Para. 9(e) of the Bylaws to state that the tap fee is forfeited should membership be revoked under Para. 5 and that should a member reapply for membership after previous revocation under Para. 5, at the discretion of the Board of Directors, a new tap fee will be assessed and that all costs incurred will be the responsibility of the tap owner paid in advance of reconnection. Motion passed by majority.

Justin Dennison makes a motion to amend Para. 11 of the Bylaws to except voting and quorum requirements from the powers authorized by the Board of Directors. Motion passed by majority.

Laszlo K returns to compensation, and asks if we should rework the compensation language. Kate B asks for clarification on the amount in the bylaws, and is there a breakdown of how that was to be distributed. Tom K asks what adequate compensation would be. Laszlo K says for the president \$100/month. Others paid by meeting.

Kate Bhoenke makes a motion that the president or anyone standing in for them gets \$100/month. Other officers get \$50/meeting. Don Mort asks if we will see an increase in fees - Laszlo K says it depends on other fees in the budget. Don M says the motion should include dues that may increase to cover this compensation. **Kate Bhoenke amends the motion to reflect Don's suggestion above. Jill M seconds the motion. Motion passed by majority.**

Laszlo acknowledges Justin D's generosity in his work as treasurer for no compensation.

Election of directors:

Justin D nominates Corey Tocher and Peggy Lindsey for board of directors for one year terms. Kate Bhoenke seconds. Motion passed by majority.

Adjournment:

President Laszlo Kubinyi motioned to adjourn. Justin Dennison seconded the motion. Members unanimously approved the motion to adjourn at 6:30 pm.