

Oak Meadows Service Company Annual Meeting Minutes of the Annual Meeting of 4/14/10

Call to Order at 6:15 pm April 14, 2009 in the Community Meeting room of US Bank, Glenwood Springs CO by President Chris Lehrman.

**Roll Call: Present: 15 Present by Proxy: 66 Not Attending: 59 Total: 140
Thus, with 57% present or present by proxy, a quorum was declared present.**

Information for voting on Board Members:

Filing 3: With 66% present or present by proxy, a quorum was declared.

Filing 4A: With 61% present or present by proxy, a quorum was declared.

Filing 4B: With 53% present or present by proxy, a quorum was declared.

The following is a list of those attending or attending by proxy:

Filing 3:

Name:	PP	Proxy:
Beightel, Gregory & Teresa		Jeff Houpt
Blocker, George	X	
Buxman, John		Randy Walther
Elston, Corrine	X	
Fuller, John & Julie		Randy Walther
Hansel, Kathy		Randy Walther
Houpt, Jeff & Tresl	X	
Perry, Jim		Randy Walther
Stolbach, Bruce		Randy Walther
Walther, Randy & Nan	X	

Total in Filing 3: 15 Number Present/Proxy: 10 66% Present.

Filing 4A:

Name:	PP	Proxy:
Abbott, Dale		Chris Lehrman
Anson, David		Jonathan Kelly
Astrach, James	X	
Baldwin, Marie		David Pendleton
Barker, Janice		Chris Lehrman
Brown, Chris	X	
Brown, Chris & Carol		John Fetzko
Colia, Clif & Nancy		Les Schaub
Corbett, Diane		Chris Lehrman
Fetzko, John & Johanna		Chris Lehrman
Gerstner, Heath		Jonathan Kelly
Gloria, Martin		Chris Lehrman
Hartmann, Glenn & Sandra		Jeff Houpt
Hawkins, Dale & Jean	X	
Kelly, Jonathan	X	
Kuhn, Charles & Leanne		George Blocker
Kuhn, Stephen	X	
Lee, Chad		Chris Lehrman
Lehrman, Chris	X	
Markuson, James		Chris Lehrman
McMillan, Jacque & Bill		Chris Lehrman
Murphy, Sarah		Chris Lehrman
Nelson, Alan		Chris Lehrman
Nelson, Scott		Chris Lehrman
Pendleton, David	X	
Phillingane, John		Jeff Houpt
Rey, Allen & Barb		Jeff Houpt
Roginski, Edmund		Chris Brown
Rombach, Robert & Lillian		Chris Lehrman

Schaeneman, Louis		Chris Lehrman
Scranton, Richard		George Blocker
Simonson, Richard & Karin		David Pendleton
Teitelman, Andrew		Brent Israel
Thatcher, George		Lynn Astrach
Torres, Nathan		Chris Lehrman
Ullrich, Ronny		Jonathan Kelly
Uren, Richard & Tony		Jeff Houpt
Voss-Patterson, Marie		Jonathan Kelly
Walters, Dennis & Maureen		Jeff Houpt

Total in Filing 4A: 63 Total Present/Proxy: 39 61% Present

Filing 4B:

Name:	PP	Proxy:
Behm, Donald		Les Schaub
Dahl, Timothy		Randy Walther
Milliken, Bruce		Les Schaub
Schwenter, Timothy		Les Schaub
Delaney, Betty		Randy Walther
Schaub, Les	X	
Steele, Brian – 2 Total		Les Schaub
Osier, Kenny	X	
Wiepking, Eric		Les Schaub
Prince Creek – 4 Total		Brent Israel
Bichon, Christopher		Chris Lehrman
Benedict, Steve		Randy Walther
Fordham, Mark		Chris Lehrman
Blue, Leslie		Jeff Houpt
Cima, Emil & Pat		Chris Lehrman
Fiscus, David		Les Schaub
Gueriera, Lauren		Les Schaub
O'Brien, Steven		Randy Walther
Pagni, Angelo		Chris Lehrman
Delaney, Ralph		Randy Walther
Pagni, Daniel		Les Schaub
Underwood, Wendy		Chris Lehrman
Wittenberg, Keith		Les Schaub
Harrison, Wendy		Les Schaub
Young, Ian & Julie		Les Schaub
Lehrman, Chris & Mary	X	
Schaeneman, Andrew		Les Schaub
Israel, Brent	X	

Total in Filing 4B: 60 Total Present/Proxy: 32 53% Present

ANNUAL REPORT:

BOOKKEEPER.

Donna Yost of Just Figures Bookkeeping has been retained since January 2009 to do the bookkeeping and billing. She also attends the meeting and takes the minutes.

ATTORNEY:

Susan Snyder continues to advise us with legal issues and to file liens on delinquent accounts.

Nicole Garrimone of Garfield & Hecht has been retained to file a water rights filing that is due every 6 years to maintain our water rights. The Four Mile Well had a water rights diligence due in March 2010.

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OMSCO E-MAIL AND WEBSITE

The OMSCO e-mail is oakmeadowswaterandsewer@gmail.com. The board is trying to compile an e-mail list of all customers for communicating OMSCO issues.

The WEBSITE IS ACTIVELY UPDATED. It contains contact information, the last 12 months of meeting minutes, current rates, organizational documents and inspection reports. The website is http://oak-meadows.us/omsco_new.htm.

WATER AND SEWER OPERATIONS:

Scott and Alan Leslie of EPC attended the meeting and gave a personal report.

They discussed two water main breaks:

- Filing 3 1-52 Sun King Dr. (lowest house) – The resident hired Aspen Digger, Inc to investigate a possible frozen water service line. It was discovered that the OMSCO 2” PVC main line was frozen due to a culvert being installed directly over the water main and service. The main line had approximately 1 foot of cover under the culvert. It is unclear who installed the culvert. The OMSCO main line and service connection are in the Garfield County road right of way. The main line was excavated and thawed with steam. A previous repair coupling failed once it was exposed and thawed causing the line to leak. No isolation valves could be found. The filing 3 tank was shut off to preserve some water. Most residents in Filing 3 were out of water for several hours. The main line and service connection were insulated and properly back filled.
- Old Midland near Midway tanks – EPC was called out due to a filter issue at well house 6&9. Filters were changed but it was discovered that the Filing 3 tank level was dropping rapidly. A problem with one of the two high service

pumps that feeds the Filing 3 water storage tank. The controls were repaired by electrician Kevin Madison of Western Colorado Electrical Control Specialties. The Filing 3 tank continued to drop. Randy Walther and John Fuller helped Alan from EPC troubleshoot. It was discovered that there was a leak on the line that feeds the Midway tanks. The main line was shut down to isolate the leak. Hughes Excavation was hired to repair the leak. It was discovered that an 8" PVC unrestrained "tee" had pulled apart. It was repaired with restrained fittings. The next day, a second leak happened on another unrestrained 6" PVC less than 20ft away from the first leak. Hughes repaired the second leak with restrained fittings. Two concerns are that the OMSCO 8" PVC main line is directly under private retaining walls for residences along Old Midland Ave and that there are additional unrestrained fittings in the area that could cause future issues.

The two 25,000 gallon tanks above File 4 will eventually need to be refurbished or replaced. The long term plan is to replace these with a larger new tank which would cost approximately \$100,000. In the meantime, the interiors of the tanks have been treated to extend their useful lives.

Waste water plant is doing well. They are adding some microbes upstream of the plant to clean the sewer lines and to improve the performance of the plant. Sludge hauling is being done about once very three months. A programmable thermostat has been installed in the plant in order to be more energy efficient.

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RATES:

The Company has been running on a break-even basis, without accumulating money for anticipated and unanticipated future system repair and replacement expenses. Rates were increased by 5% as of January 1, 2010, and will be increased by 5% each year for the foreseeable future until the Board determines that reserves are sufficient. The Sewer Rate is \$47.00/month and Water is \$42.00. Standby rates are ½ this rate.

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BROKEN METERS:

Everyone needs to keep an eye on their meter readings and have them checked if you are getting zero readings. You are responsible if your meter is not functioning correctly. Grand Junction Pipe or Scott at EPC are contacts you can use to purchase a new meter.

Suggested meter replacements will be posted on the website.

OPERATIONS:

Charts included in the Annual Report show that our water and waste water flows are much lower than what our system is designed for.

LEGAL UPDATE:

A trial was conducted in January 2010 of the lawsuit brought by Oak Meadows Water Association (OMWA), which provides water service to Oak Meadows Filing 2, against OMSCO, the Oak Meadows Homeowners Association and Oak Meadows Development Corporation (OMDC). The case involved the interpretation of several agreements that are in place among these parties regarding the operation of the Four Mile Well. OMSCO is in the process of paying off its attorney's fees at a rate of \$18,000 per year (\$1500/mos.). We are now waiting the decision of the judge which may take several months.

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APPROVAL OF THE MINUTES FROM APRIL 9, 2009 ANNUAL MEETING.

Martha Fredendall moved to accept the minutes as written. Jim Astrach seconded the motion. The motion was approved unanimously.

APPROVAL OF 2010-2011 BUDGET

A proposed budget for 2010-2011 was presented to the membership. Lynn Astrach moved to accept the budget as presented. David Pendleton seconded the motion. The motion was approved unanimously.

RESOLUTION #2010-1

This resolution is to address the problem of having a quorum at the annual meeting and what it takes to elect directors.

What would change:

- 25% of OMSCO membership will constitute a quorum (currently it is 40%)
- Only 5 directors will be elected. No alternates.
- The distribution with one director from each Filing and two at large directors is staying the same.
- A director will be elected by a majority vote of the members *present* from the filing they would be representing. The two at large directors will be elected by a majority vote of the members present. Currently it is 51% of all members – not just those attending.
- If for any reason the members of a voting area are unable to elect a director for that area, for example due to no one wishing to serve or lack of a quorum in that Filing, an additional director will be elected at large.
- Vacancies will be filled by appointment by the Board of Directors.

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Jim Astrach moved to approve Resolution #2010-1. Dale Hawkins seconded the motion. The motion was approved:

All members: Approved unanimously
Filing 3: Approved unanimously
Filing 4A: Approved unanimously
Filing 4B: Approved unanimously

ELECTION OF DIRECTORS:

Filing 4A: Chris Lehrman was elected Director of 4A

Filing 4B: Les Schaub was elected Director of 4B

Filing 3: George Blocker was elected Director of Filing 3

Deleted: Jeff Houpt

At Large: Jonathan Kelly and Jeff Houpt were elected Directors At Large

Deleted: George Blocker

OTHER BUSINESS.

Jim Astrach would like the Board to be more progressive on rates and/or talking to the bank about potential sources of funds for the improvements that are very much needed.

After much service to Oak Meadows by serving on the OMSCO Board, Randy Walther chose not to run again. His service was acknowledged and very much appreciated.

ADJOURNMENT:

The meeting was adjourned at 8:15pm.