

Oak Meadows Service Company Annual Meeting Minutes of the Annual Meeting of 4/9/09

Call to Order at 6:40pm April 9, 2009 in the Community Meeting room of US Bank, Glenwood Springs CO by President Chris Lehrman.

**Roll Call: Present: 22 Present by Proxy: 37 Not Attending: 78 Total: 141
Thus, with 41% present or present by proxy, a quorum was declared present.**

Information for voting on Board Members:

Filing 3: With 56% present or present by proxy, a quorum was declared.

Filing 4A: With 49% present or present by proxy, a quorum was declared.

Filing 4B: With only 32% present or present by proxy, a quorum was not present.

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

Filing 3:

Name:	PP	Proxy:
Beightel, Gregory & Teresa	X	
Dollahan, Mike		John Fetzko
Elston, Daniel		John Fuller
Fuller, John & Julie	X	
Hansel, Kathy		George Blocker
Haupt, Jeff & Tresl		Jonathan Kelly
Perry, Jim		John Fuller
Stolbach, Bruce		Randy Walther
Walther, Randy & Nan	X	

Total in Filing 3: 16 Number Present/Proxy: 9 56% Present.

Filing 4A:

Name:	PP	Proxy:
Austin, James & Patricia	X	
Celeste, Joseph & Mary		David Pendelton
Kuhn, Stephen		Chris Lehrman
Lehrman, Chris	X	
Nelson, Scott		Chris Lehrman
Rombach, Robert & Lillian		Chris Lehrman
Alexander, Victoria		Andy Teitelman
Conolly, Harry & Nancy		Ralph Delaney
Larson, James & Judith		David Pendelton
Astrach, James & Lynn	X	
Hernandez, Ruben & Patsy		David Pendelton
Lutgring, John & Heather		David Pendelton
Pendelton, David	X	
Simonson, Richard & Karin		David Pendelton
Thatcher, George	X	
Meek, Roger & Amy		David Pendelton
Teitelman, Andrew	X	
Adams, Randal		Brent Israel
Kuhn, Charles & Leanne	X	
Powely, Linda		Brent Israel
Israel, Brent & Martha	X	
Markuson, James		Brent Israel
Ely, Norman & Doris		Brent Israel
Hawkins, Dale & Jean	X	
Kelly, Jonathan	X	
Colia, Clif & Nancy		Brent Israel

Hartmann, Glenn & Sandra		Brent Israel
Walters, Dennis & Maureen		Brent Israel
Brown, Chris & Carol		John Fetzko
Fetzko, John & Johanna	X	
Uren, Richard & Tony		John Fetzko

Total in Filing 4A: 63 Total Present/Proxy: 31 49% Present

Filing 4B:

Name:	PP	Proxy:
Behm, Donald	X	
Dahl, Timothy		Betty Delaney
Milliken, Bruce	X	
Schwenter, Timothy		Bruce Milliken
Delaney, Betty	X	
Schaub, Les	X	
Prince Creek – 5 Total		Brent Israel
Benedict, Steve		Nan Walther
Cima, Emil & Pat		Randy Walther
Delaney, Ralph	X	
Lehrman, Chris & Mary	X	
Clark, Patty		Chris Lehrman
Israel, Brent	X	
Knutson, Bill & Brenda		John Fetzko
Granger, Candy	X	

Total in Filing 4A:58 Total Present/Proxy: 19 32% Present
– not sufficient for a quorum.

APPROVAL OF THE MINUTES OF 2008.

Jim Austin moved to approve the minutes of April 2, 2008 Annual Meeting. Martha Fredendall seconded the motion. The motion as passed unanimously.

BOOKKEEPER.

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

ATTORNEY:

Susan Snyder has been hired to advise us with legal issues and to file liens on delinquent accounts.

WATER AND SEWER OPERATIONS:

Scott and Alan Leslie of EPC attended the meeting and gave a personal report. The hauling of sludge has been much better. The last time was in December, and has been approximately once every three months. 4 Mile well is providing approximately 15 gallons a minute, and this is the primary source of water at this time with Wells #6 and #9 not being used as much.

In June 2008 OMSCO households used 1,742,000 gallons of water for the month from the three wells, which was the maximum month in 2008/2009. That is an average of 476 gallons per day per household (based on 120 customers); the industry standard is 350 GPD/household for an average day. A typical peaking factor for average to peak day is two which would be 700 GPD/household. The water makeup was approximately 58% from Wells 6 & 9 (2007 59%) with the remaining 42% coming from the Four Mile Well (2007 41%).

Water levels in OMSCO's wells are high this spring, thanks to the abundant snow last winter, but every OMSCO member should be frugal with their water use, particularly in landscaping.

Refurbishing the two 25,000 gallon tanks above Filing 4 is another near term project. All water tanks need to be periodically cleaned, sandblasted and repainted. The projected cost of this is unknown.

The OMSCO Waste Water Treatment Facility (WWTF) saw a maximum average month of 12,396 gallons per day in October which was approximately 120 gallons per day per household (based on 103 customers); the industry standard is 280 GPD/household. The capacity of the plant is 35,000 GPD average in the maximum month so we are at roughly 35% of capacity.

OMSCO's waste water treatment facility has been in continuous operation since 2001. It is important that the sewer fund balance be increased so that equipment can be replaced or refurbished as it begins to age.

RATES:

Rates are not changing this year

BROKEN METERS:

If you have an older, manually read meter you are responsible for getting a new one. There are about 14 of the old electronic meters and the plan is change these entire out. Please contact Randy Walther if you have any questions.

FINANCIAL REPORT:

There were additional expenses this past year with unanticipated bookkeeping and legal expenses, but we were able to stay stable and have not needed to touch the Money Market which is still at \$28,000 approximately.

Delinquent accounts are an ongoing problem, but we have added an additional charge of \$25.00 for even sending out a delinquent letter and Donna Yost has been instructed to do this as soon as someone goes to 90 days over due. At this time there are 5 accounts that have been sent to the lawyer to file a lien.

In the immediate future there are plans to revise the method of billing so that the meter readings will appear on all the statements, and not just the overage statements.

Dalby Wendland will continue to do the tax return.

OMSCO has budgeted for monthly payments to OMDC for our portion of the water litigation expenses to begin in 2009 of \$1500.00 per month.

Special Projects:

Filing 4 Telemetry Project is starting now. This project allows us to get the most water possible to our legal limit.

Engineering Fees: Our intent is to use 4 Mile Well more once the lawsuit is over, but we would like to have engineers start designing what is needed.

Tank Lining: 4A and 4B tanks will need to be lined in the next 3-5 years.

John Fuller moved to approve the Budget as proposed for 2009-2010. Dave Pendelton seconded the motion. It was approved unanimously.

LEGAL UPDATE:

1. Case No. 08CW14; OMWA v. OMSCO et al. This case was originally filed by Oak Meadows Water Association (the entity that supplies water to Oak Meadows Filing 2) against OMSCO, Oak Meadows Homeowners Association (OMHOA) and Oak Meadows Development Corporation (OMDC) in the District Court. After several years, the District Court determined that the disputes between the parties included “water matters” that can only be decided by the Water Court, and therefore dismissed the case. OMWA was directed to pay the defendants’ costs (in the amount of about \$3,000.00, which was recently received). OMWA then re-filed the case in the Water Court.

In general, OMWA is requesting that the Water Court interpret several existing agreements among the parties that divide water produced from the Four Mile Well between OMWA and OMSCO. OMWA believes that the defendants have breached those agreements and wrongfully prevented OMWA from connecting its system to the OMSCO system. OMWA also wants the Water Court to declare that it is entitled to construct additional water storage tanks on a parcel of land near the top of Sun King Drive (where the Filing 3 dumpsters are located). The parcel is owned by OMHOA. The defendants generally disagree with OMWA’s interpretation of the agreements and that OMWA is entitled to construct the tanks on the OMHOA parcel.

The parties have made attempts at resolving their differences, but have not been able to reach any mutually acceptable settlement, and have largely given up on seeking settlement. The matter is set for a trial August 4 – 7 and 10, 2009.

2. Case No. 08CV313; OMSCO v. OMWA. Last fall, OMWA notified OMSCO that it intended to unilaterally modify the infrastructure that has been used for several years to divide the water produced by the Four Mile Well between OMSCO and OMWA. OMSCO received advice of the system operator, Environmental Process Control, and its engineers, Gamba & Associates, that the proposed modifications could adversely impact the OMSCO system unless changes were made to the OMSCO system. OMSCO requested that OMWA refrain from modifying the system, but OMWA refused to do so. Therefore, OMSCO authorized its attorneys to seek a temporary restraining order and injunction from the Court to prevent OMWA’s modifications. The Court determined that restraining orders and injunctions are extraordinary remedies that are available only when an award of money cannot remedy the problem. The Court determined that if OMSCO was in fact injured by OMWA’s actions, OMSCO could be made whole with an award of money, and so it denied OMSCO’s request for a restraining order and injunction. As a result, OMSCO is in the process of amending its counterclaims in Case No. 08CW14 (described above) to include its request for relief from OMWA’s actions, and the issues will be determined at trial in August.

3. Case No. 07CW58; Application for Water Rights of Sunlight Inc. In order to protect its water rights decreed to the Four Mile Well, OMSCO filed a statement of opposition to the application made by Sunlight Inc for extensive new water rights associated with the proposed development at the Sunlight Mountain Resort. OMSCO’s concerns were

resolved by a stipulated settlement with Sunlight that contains terms and conditions that the Board believes will protect OMSCO's water rights in the Four Mile Well.

4. Case No. 05CW114; Application for Water Rights of Elk Meadows Properties. This case was filed in 2005 seeking new water rights for a proposed subdivision on the old Bershenyi Ranch. A significant aspect of the case is the plan to bring water, via pipeline, from the Roaring Fork River, for purposes of augmentation. OMSCO filed a Statement of Opposition. Not much forward progress has been made by the applicant this year; plans for the proposed development appear to be in flux. A status conference will be held among the parties and the Water Referee later this month at which time the applicant will further update the parties on its progress.

ELECTION OF OFFICERS:

Filing 4A: Chris Lehrman was elected Director of 4A; David Pendelton, Alternate

Filing 4B: Les Schaub was elected Director of 4B; Glenn Underwood, Alternate provisionally until the HOA is able to confirm or name another because of the lack of quorum in 4B.

Filing 3: Randy Walther was elected Director of Filing 3; George Blocker, Alternate.

At Large: Jeff Houpt and Jonathan Kelly were elected.

ADJOURNMENT:

The meeting was adjourned at 8:55pm.

