## Florida River Estates Water Company, Inc. Annual Meeting

## Meeting Date: November 13, 2023 4:30 PM

## Location: Durango Public library

In attendance: John Bernazzani (P), Judy Wachob (VP), Jim Scholan (Sect), Mark Fuson (water operator) Jamie Matthews (administrator) and Debbie Smith (bookkeeper), Terra Bumpers (Treas)

Meeting was called to order at 4:35 PM -6:00 PM by President John Bernazzani

Also attending were the following water users; Quincy Ellis, Debi Ellis, Kathy Waage, Leland Waage, Dan Featheringill, John Kassay, Riley Searle, Ron Bishop, Crystal Chick, Jeff Nelson, Brenda Nelson. Jerry Vandiver, Krista Vandiver, Robin Bernazzani (via zoom) and Nina Gale (via zoom).

Jamie Matthews reviewed the Balance Sheet, Profit and Loss Statement and Final FY 2024 Budget. Several questions from those attending were answered. Based on this being the 1st full year post-installation of the new system projected annual income will approximately $200,000 going forward. The budget will be posted online. The biggest expense this year was water filters, at approximately $60,000. A large percentage of the filters came out our stored stockpile accumulated during the COVID period because of supply chain issues. That stock pile of filters is being replenished now in anticipation of another big snow year / high springtime run off.

Because of our USDA loan, we are required to have an outside audit for the first several years of the loan 2020, 2021, 2022 and 2023. This requires 3rd party audits and will cost about $6,000 per year. Jamie and Debbie are preparing for these audits now. Discussed depreciation as a general term as well as useful life, etc. Discussed how residents are paying for time we did not save for capital (prior to 2017) in terms of the loan ($55 per month) and the ongoing capital contribution of $40 per month to prevent the system from being in that position in the future.

Mark Fuson discussed water plant operations and condition. Total production was at approximately 6.8 million gallons down from 11.9 million in 2020 with the old leaking system.

One pump is down at the booster station. New replacement pumps are on order.

We had frozen pipes in lower subdivision last winter most likely because of inadequate road base depth. The county has added several inches of road base to solve this problem. Mark would rate the delivery system as B+ /A-. The water plant building he would rate at C-. The floor is unstable/cracked and will need to be replaced with associated plumbing modified. Projected cost is $30-35,000 in the near future. If we replaced the whole plant as part of the project in 2020, we would have had to meet new guidelines for 500 year flood plan. Everything would have to be elevated approximately 15 feet (very expensive).

Because of flooding in the lower subdivision this Spring water turbidity was extremely high. We had to have water delivered to the tanks to keep up with demand. Filter changes were sometimes three times a day. We were issued a Tier II violation for turbidity. When you see water flowing on the surface, there is also water flowing sub-surface which affects our well. Residents discussed making sure community members are aware and notified of the severity when a water conservation effort is requested. There are some ongoing leaks in plant system that are being repaired. The State has a Lead Water Service Line Initiative audit starting in 2024 to determine what material the service lines are from the meters to the residences. Mark is checking to possible grants to cover these expenses, but all home built pre-1988 will need to be part of this audit.

Pres John Bernazzani discussed the following;

The ongoing project to clean the ditch to divert the water/runoff from Mudspring Creek to the river as efficiently as possible. This involves cleaning the ditch of brush and debris. Riley Searle will be granting the county & FRE a maintenance easement to create and clean the ditch through his property as required terms for the county to install new culverts. This should reduce flooding and therefore reduce filter changes at the water plant in addition the helping other residents with flooding issues. The approximate cost is $10-15,000 for the ditch work.

The swing was removed from the pond as a liability per legal counsel.

The homes across Florida Road from the fire station are still having water pressure issues. The discussion was that original system had a 2” going up hill with the meters on private property near the homes. The updated system had to have the meters down near Florida road with two 1” lines feeding each home. The engineering firm stands by their design but has provided the homeowners with booster pumps which are apparently marginally working. This is an ongoing trying to be resolved with the Board and the homeowners.

Reviewed images and videos from the Spring flooding.

Meeting was adjourned at 6:24