

MEETING OF BOARD OF DIRECTORS.  
JUNE 14, 1955.

A meeting of the Board of Directors of the Upper Surface Creek Pipe Line was held at the Vanderbilt home at 8 P. M.

All of the five Directors were present, Al Metzger, Glen Cook, Mack Gorrod, Ruel Loucks and Vernon Vanderbilt.

Al Metzger was nominated for President by Glen Cook. Motion for nominations to be closed by Mack Gorrod, seconded by Vernon Vanderbilt. Al Metzger elected by unanimous vote for President.

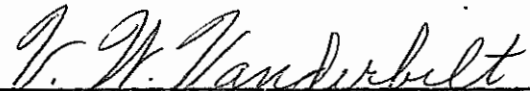
Mack Gorrod was nominated by Glen Cook for Vice-President. Ruel Loucks moved nominations close, seconded by Vernon Vanderbilt. Mack Gorrod elected unanimously for Vice-President.

Vernon Vanderbilt was nominated for Secretary-Treasurer by Al Metzger. Glen Cook moved nominations close, seconded by Ruel Loucks. Vernon Vanderbilt was elected unanimously for Secretary-Treasurer.

A motion was then made by Glen Cook, seconded by Ruel Loucks, that A. Allen Brown be engaged as attorney. This motion was passed by unanimous vote.

It was decided to contact Mr. Brown the following day, June 15, to start papers of incorporation and necessary steps to follow.

It was moved by Glen Cook and seconded by Ruel Loucks that the meeting adjourn. The motion was passed unanimously and meeting adjourned.

  
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Secretary.

MEETING OF BOARD OF DIRECTORS.  
August 31, 1955.

A meeting was held at the Palmer and Company office. Four Directors of the Upper Surface Creek Domestic Water Users met with Ward Taylor of the F.H.A., Laren Morrill, County Surveyor, and Mr. Stoker, Engineer for the F.H.A. The four members present were Al Metzger, Mack Gorrod, Glen Cook and Vernon Vanderbilt.

Mr. Stoker made a tour of the proposed line, and was impressed with the proposed project.

He needed a list of proposed water users, estimate of livestock, and estimate from Mr. Morrill on cost of project.

Mr. Stoker based his report on 90 members and \$108,000.00 loan. He explained it was much easier to ask for the maximum than to run short and have to ask for more.

It was probable, Mr. Stoker stated, that the loan might have to be based on a 30 year basis if the F.H.A. considered the figures too high for a 20 year loan, but explained it could still be paid off sooner if the members saw fit to do so.

Mr. Taylor had received the Articles of Incorporation back from the State Office. A few changes were recommended before approval. An appointment was made with Attorney Allen Brown for the following day, September 1st, at 2:30 P. M. Mr. Metzger agreed to meet with Mr. Brown.

Mr. Morrill stated that his preliminary survey was completed, and he could furnish the information needed by the F. H. A. He stated that pipe orders of the quantity needed were taking about 90 days to fill.

Mr. Stoker stated he had enough information to make his report and the meeting was adjourned.

J. W. Vanderbilt  
Secretary.

MEETING OF BOARD OF DIRECTORS  
February 1, 1956.

A meeting of the Board of Directors of Upper Surface Creek Domestic Water Users Association was held at the Cedaredge Chocolate Shop at 1:30 P. M. February 1, 1956.


Al Metzger, Ruel Loucks, Glen Cook, Mack Gorrod and Vernon Vanderbilt of the Board were present.

Laren Morrill and Mr. Rose, State F.H.A. Engineer, were present. The purpose of the meeting was to supply additional information to Mr. Morrill needed to complete his survey.

The following points were agreed on to aid Mr. Morrill in his report:

1. The Association will pay cost of spur line averaging  $\frac{1}{4}$  mile or less per tap. On spur lines where the average is more than  $\frac{1}{4}$  mile per tap, the tap owners beyond the  $\frac{1}{4}$  mile average shall share costs in excess of their  $\frac{1}{4}$  mile average equally.

2. The Association will put service lines to the property line or within 200 feet of house, whichever is closest to house, if not over the  $\frac{1}{4}$  mile limit per tap from line to this point.

  
Secretary/

MEETING OF BOARD OF DIRECTORS  
February 28, 1956.

A meeting of the Upper Surface Creek Domestic Water Users Association Board was held at 10 A. M. February 28, 1956, at the Cedaredge City Hall. Glen Cook, Ruel Loucks, Al Metzger, Mack Gorrod and Vernon Vanderbilt were present. In addition to the Board members, those present were: Mr. Stoker, Mr. Rose, Ward Taylor, Howard Borgman and Mr. Allen, all of the F.H.A., Laren Morrill, County Surveyor, and Allen Brown, the Association's Attorney.

The purpose of the meeting was to supply information to Mr. Allen, F.H.A. representative from Washington, D. C., and to receive his report on the loan application.

Mr. Allen stated the present plan would make charges too high for the project, averaging \$12 per month per tap, and if some taps dropped out, others would have additional burden.

Mr. Allen inquired as to cattle feeders and dairy operations under proposed line. Ruel Loucks stated that he figured he could pay \$16. per month for Grade A purposes, but \$30. would be too high.

Mr. Stoker inquired as to cost of getting water hauled and Mack Gorrod gave the report of \$7.50 for 500 gallons. Ruel Loucks stated he figured the project would be worth \$1 per head per month to dairy men who didn't have adequate water.

Mr. Allen stated one way of reducing payments would be a 40 year loan instead of 30 year and \$200 membership instead of \$150, but even then he didn't think the F.H.A. could approve the loan. He said the real obstacle was the cost of the water from Orchard City which if cut in half would still be too high.

Mr. Stoker pointed out that at the end of 30 years the Association would have paid Orchard City \$150,000 for water according to the survey estimates.

Mr. Allen suggested getting some natural flow, make a settling basin, install chlorinator and filter and set up an individual water system.

Mr. Stoker stated the settler and chlorinator should cost less than a storage tank under Orchard City.

Vernon Vanderbilt mentioned a proposed project by the Town of Cedaredge to join in a filter and chlorinator. Mr. Morrill said this would possibly work out good if the expense was shared to a point where the lines would divide, if each owned their own water.

Mr. Stoker stated if the Association owned their own water repayment should average about \$7 per month per tap including maintenance.



Mack Gorrod asked if meters would be necessary under the line if the Association had its own water. Mr. Allen's answer was that F.H.A. would not finance a project without meters to save abuse of water use. He stated a good method of metering was:

- 1st Rate - Minimum covering small per cent of users.
- 2nd Rate - Water at less cost than minimum covering largest per cent of users.
- 3rd Rate - Cheaper than 2nd rate to encourage large users to use water.

Mr. Allen stated if water could be purchased from \$5000 to \$7500 he felt the F.H.A. could approve the project. Mr. Metzger stated one-half foot No. 1 decree would assure 1/4 foot with shrink.

Mr. Allen suggested that Mr. Morrill make up some comparative costs, and to try to take in all possible patrons to make the project more practical.

Mr. Allen asked Mr. Brown to eliminate in the By-Laws Article 7, Section 2, that assessments be made by a quorum of members as it was sometimes impossible to levy in this manner in time to meet payments.

Mr. Brown agreed to make this change.

Mr. Metzger suggested the Board should meet with Orchard City to discuss the matter. Vernon Vanderbilt agreed to contact the Orchard City Board for a meeting.

Glen Cook agreed to see Leon Jordan to determine if 1/2 foot of No. 1 decree could be purchased from him if necessary.

The meeting adjourned at 12:30 P. M.

*V. H. Vanderbilt*  
Secretary.

MEETING OF BOARD OF DIRECTORS  
July 20, 1956

A meeting of the U.S.C.D.W.U. Assn. Board was held at 1:30 P.M., July 20, 1956, at the Cedaredge, Colo. City Hall.

A. W. Metzger, Mack Gorrod, Ruel Loucks, Glen Cook, and Vernon Vanderbilt of the board were present.

Mr. Stoker and Mr. Rose, FHA engineers, Mr. Hogelund, State FHA Director, Mr. Parmella, office of General Councilman, Mr. Booth, of the FHA, and Laren Morrill, Engineer were also present.

Mr. Hogelund stated the F.H.A., could not approve present plans with Orchard City due to high water cost.

Two plans of obtaining our own water supply were discussed:

1.  $\frac{1}{2}$  foot of spring water for \$15,000 from Faye Ginter, with 5 or 6 miles of extra pipe from Ginters.
2. Obtaining  $\frac{1}{2}$  foot No. 1 decree from Welland Jeffries for \$7500.00.

Mr. Hogelund recommended the board get comparative costs on the two plans.

Mr. Stoker thought it might be better to use No. 1 decree and filter and chlorinator.

Glen Cook and Ruel Loucks were appointed to see Faye Ginter about piping water from spring to her place, and to obtain part of water for eliminating her shrink.

Mr. Metzger stated he had spoken to Welland Jeffries about one half foot of No. 1 decree, and that it could possibly be bought for \$7,500.00.

The meeting adjourned.

*V. W. Vanderbilt, Secy*



MEETING OF BOARD OF DIRECTORS  
August 23, 1956

A meeting of the Upper Surface Creek Domestic Water Users Association Board was held at 8:15 P.M. at Allen Brown's office in Delta.

Mr Metzger called the meeting to order.

Al Metzger, Mack Gorrad, Ruel Lotcks and Vernon Vanderbilt of the board were present.

Orval Perkins, Guy Dixon, and Hubert Fritchard of Orchard City, Loren Morrill, engineer, Allen Brown, attorney, Stanley Dawson of Thompson pipe and steel, and Gene Barrett were present.

The purpose of the meeting was to discuss a proposal that Orchard City might be able to take the district into their pipe line.

Orval Perkins stated he would like to see the area have water, but the Orchard City board didn't feel they could supply water to the Cedar Mesa Area too.

Mr. Dixon said in order to supply any area outside of present boundaries of Orchard City, it would probably be impossible to get a majority vote of Orchard City.

Mr. Morrill said the Green Mountain springs, discussed by the board at a previous meeting, would require 9 miles of pipe instead of 5, so cost was prohibitive. He said if  $\frac{1}{2}$  ft. No.1 water could be obtained for \$10,000, the F.H.A. might be able to finance project.

Mr. Brown stated the F.H.A. had to be sure if project was financed, that it could be repaid.

Mr. Morrill suggested if members could raise \$400 each in cash, the payments would run about \$10 each per month.

On a motion by Al Metzger, seconded by Vernon Vanderbilt, the meeting adjourned.

*V. W. Vanderbilt - Secy.*

MEETING OF BOARD

A meeting of Upper Surface Creek Domestic Water Users Association was held in the City Hall July 9, 1957, at 8:30 P.M.

Members present were Ruel Loucks, Mack Gorrod, Al Metzger, Vernon Vanderbilt, and Ed. Marah, Mayor of Cedaredge, was also present.

Al Metzger called the meeting to order. Mr. Metzger stated he had some forms to be filled out by each member for the F.H.A. The board was to mention \$150 initial payment or note would be due at a member meeting.

Mr. Metzger stated the payment of 1/3 of the line with Cedaredge would be paid direct to Cedaredge on a 20 year basis at \$2657.30 per year including operation and maintenance.

Al Metzger appointed J. D. Loucks to help Ruel Loucks in getting F.H.A. Forms filled out until a resignation was filled out until a resignation was received from Glen Cook, who had moved away.

Vernon Vanderbilt moved meeting adjourn, seconded by Mack Gorrod.

*V. W. Vanderbilt, Secy.*

MEETING OF BOARD OF DIRECTORS  
August 6, 1957

A meeting of the U.S.C.D.W.U. Assn. Board was held at 8.30 P.M. at the Vernon Vanderbilt home August 5, 1957.

Mack Gorrod, Al Metzger, Ruel Loucks, and Vernon Vanderbilt and Floyd McPherson attended.

A letter of resignation from the board by Glen Cook was read by the secretary and accepted.

Floyd McPherson was appointed by the president to fill the vacancy.

Mr. Metzger stated that 2 or 3 board members were to be at Allen Brown's office at 2 P.M. August 7th. They were to meet with the Town of Cedaredge representatives and Mr. Brown.

On a motion by Ruel Loucks, seconded by Vernon Vanderbilt, the meeting was adjourned.

*V. W. Vanderbilt, Secy.*



MEETING OF BOARD OF DIRECTORS  
August 7, 1957

A meeting of the directors of the Upper Surface Creek Domestic Water Users Association was held at the office of Allen Brown's August 7, 1957 at 2 P.M.

Phil Aust and Allyn Huston from town of Cedaredge, Ruel Loucks, Al Metzger and Vernon Vanderbilt of the U.S.C.D.W.U.A. Board and Mr. Brown attended.

Mr. Brown stated the F.H.A. wished to have application for U.S.C.D.W.U.A. to cover their  $1/3$  of the line with Cedaredge, and also to draw up contract with Cedaredge.

Mr. Brown stated the point of diversion would have to be changed so Cedaredge and U.S.C.D.W.U.A. could go together on that item. Upper Surface Creek would also have to change character of use so it was agreed to split costs of changes equal.

Mr. Aust stated the change should be made on 21 shares of Alfalfa (20 Cedaredge and 1 for Cemetery District).

If additional water is needed by either party either or both can increase to the  $1/3$  and  $2/3$  shares of capacity of line.

Cedaredge and U.S.C.D.W.U.A. each designated Laren Morrill as engineer.

Allyn Huston mentioned maintenance of joint line. Mr. Metzger suggested Cedaredge's Commission maintain line and pro-rate costs  $2/3$  and  $1/3$ . Water Committees from each should meet and discuss and take any action for major repairs or emergencies which commissioner doesn't handle. Any material needed would be at cost at point of repair.

Mr. Brown said he would draw up a contract and let the parties go over it for approval.

Meeting adjourned.

*V. W. Vanderbilt, Secy.*

MEETING OF BOARD OF DIRECTORS  
July 28, 1958

A meeting of the directors of the Upper Surface Creek Domestic Water Users Association was held at The City Hall in Cedaredge on July 28, 1958 at 2:15 P.M.

President Al Metzger called the meeting to order.

Al Metzger, Floyd McPherson, Mack Gorrod, Vernon Vanderbuilt and Ruel Loucks represented U.S.C.D.W.U.A. Phil Aust, Allyn Huston and Ed Marah represented the town of Cedaredge. Present were Jim Height of Washington D.C. F.H.A. office, Cecile Rose, engineer from Denver's F.H.A. office, Howard Borgman of the Montrose F.H.A. office and Laren Morrill, engineer.

President Metzger explained that this meeting was called for the purpose of final agreements between U.S.C.D.W.U.A. and F.H.A. Mr. Height stated that our first attempt to get water for pipeline was to come from Orchard City pipeline and that the cost was prohibitive at more than \$12.00 per month per tap.

Later this figure was reduced to \$10.00 per month per tap. This would be No. 1 decree water that we would buy and pipe jointly with the Town of Cedaredge from Grand Mesa Springs. Mr. Height states that F.H.A. has figured the cost down to \$9.00 per tap per month, with some changes. His plan calls for 1/5 instead of 1/3 interest in the joint pipeline with Cedaredge and also to reduce water we buy from ~~1/2~~ 1/2 second foot to 1/4 second foot per day. His plan also calls for a 50,000 gal. storage tank. This would be a reduction of \$500.00 a year on our pay-back payments. He states that an average tap would use 200 gal. per day or 6,000 gal. a month and that 1/4 foot will supply 112 taps with 1 gal. per minute per tap if all is used.

A. Metzger had a lengthy discussion with Mr. Height at the beginning of the meeting. The F.H.A. officials said it was strictly up to the board to take on taps along the line and put in new lines as long as the operation status remained the same as when the loan was approved.

The kind of loan was brought up and Mr. Rose suggested it be a direct loan. We should draw part during construction and only pay interest on that part even though loan was all approved. In this way we would save quite a sum of money on interest alone.

R Ruel Loucks suggested that we adopt all of Mr. Height's ideas except that F.H.A. allow us to buy the 1/2 sec. ft. of water while it is available. Cedaredge representatives also agreed with the board members that we should buy 1/2 ft. of water/

Mr. Height said he would take this idea to Washington D.C. personally for consideration and we would know within two weeks.

Cedaredge Representatives said they would have a board meeting and let the F.H.A. know whether they would accept the change in the upper line or not.

Meeting adjourned at 4:15 P.M.

*Paul H. Lander*  
Secretary

MEETING OF BOARD OF DIRECTORS

October 9, 1958

A meeting of the board of directors was held with F.H.A. representative, Howard Borgman from Montrose.

The purpose of the meeting was to discuss a letter from Mr. Haight, the National F.H.A. office engineer. The U.S.C.D.W.A. and Town of Cedaredge had a tentative agreement with F.H.A. pertaining to the pipeline. Mr. Borgman would like to know if U.S.C.D.W.U.A. board would agree to:

No.1 A first (1st) mortgage on distribution System and 1/5 interest in the joint line.

Board answers "Yes"

No.2. A first mortgage on 10 shares Alfalfa Ditch.

Board Answers "Yes"

No. 3 An Assignment of the agreement between Upper Surface Creek and the Town of Cedaredge.

Board answers "Yes"

No. 4 A pledge for payment

Board answers "Yes"

No. 5 Will the minimum water charge be acceptable at \$8.00 per month per tap for 1350 gallons.

Board answers "No" Not on that amount of water. We think that is too small a minimum of water. Borgman states that if we allow too large a minimum that we would not collect enough water rent to pay the payments.

No. 6 Cedaredge wants to loan the U.S.C.D.W.U.A. the money to buy the 10 shares Alfalfa Ditch so diversion can be started. There was some discussion but no definite action was taken.

F.H.A. Figures were as follows:

\$8594.60 pay back each year  
\$1166.00 operating expense each year  
\$9694.60 total to be collected on rental

or

\$807.88 to be collected each month. This would be an average of \$8.75 per user per month.

Board members present were:

Al Metzgar--President  
Ruel Loucks--Sec.



Board Members Continued:

Vernon Vanderbilt  
Floyd McPherson

*Ruel A. Loucks*

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Secretary

MEETING OF BOARD OF DIRECTORS

Nov. 28, 1958

A meeting of the board of directors of the U.S.C.D.W.U.A. was called by President Al. Metzgar at 8 o'clock P.M. at the Cedaredge Town Hall. All board members were present. Minutes of the last meeting was read and approved.

This meeting was called to decide whether or not we had enough information on the loan and agreements so we could call a stockholders meeting. After some discussion we decided we were in no position to call one yet. The secretary was instructed to contact Mr. H. Borgman and get information on how much money we were supposed to collect from stockholders on stock certificates or memberships equity. Also find out what had been decided about the minimum water rates and minimum gallonage; find out the rates on additional water.

A bill was submitted by Al Metzgar for meals for board members and F.H.A. officials of \$4.95, blank notes \$1.02, photo-static copy of By-laws and incorporation papers of Alfalfa ditch \$3.20, eleven phone calls for \$6.05, making a total of \$15.22. Motion was made by Floyd McPherson and seconded by Vernon Vanderbilt we pay these bills. Motion carried.

Meeting was adjourned at 9:30.

*Ruel A. Loucks*

Secretary

MEETING OF BOARD OF DIRECTORS

Dec. 22, 1958

A meeting of the Board of Directors was called to discuss conditions of the tentative loan.

Minutes of the last meeting were read and approved.

Seems to the board as though the Association will have to have \$15,750.00 in the bank plus 1% for an insured loan amounting to \$1,375.00 and at least money enough for six months interest which will be about \$3,000.00 making a total in the bank or around \$20,125.00.

Secretary was instructed to write to Howard Borgman and notify him of a board meeting at the Cedaredge Town Hall on Jan. 5, 1959.

*Ruel A. Loucks*  
Secretary

MEETING OF BOARD OF DIRECTORS.

Jan. 5, 1959

Meeting called to order by president Al Metzger at 2 o'clock. Minutes of the last meeting were skipped because we had other personell. Howard Borgman of the Montrose F.H.A. office, Rod Stewart of the law office of Stewart and Brown, and Larry Morill, engineer, Ed Marah and Al Boldin of the Town of Cedaredge and all members of the U.S.C.D.W.U.A. board except Floyd McPherson were present.

The purpose of the meeting was to duscuss a letter received from Washington D.C. The following are some of the points discussed:

- (1) We need an amendment on the articles to change our agreement from Town of Orchard City to Town of Cedaredge.
- (2) Two types of loans direct at 4½% and insured at 5%. We don't know which we will get yet.
- (5) Cedaredge thinks the 1/5 interest in six inch line should be changed because they are putting in an eight inch line.
- (6) F.H.A. will write for a rate schedual.
- (12) U.S.C.D.W.U.A. has to notify F.H.A. of any yearly meetings.
- (21) Cedaredge should satisfy F.H.A. that they could build the joint pipeline themselves if not done by contract.

Meeting adjourned.

Paul G. Loucks  
secretary

BOARD OF DIRECTORS MEETING  
Feb. 17, 1959

The Board of Directors of the Upper Surface Creech Domestic Water Users Association met with the members of representatives of the Town of Cedaredge; Ed Marah, Al Huston and George Bowness and Mr. Lesatze. The Town of Cedaredge would like to exercise the association's option on water and try to get the point of diversion under way, so they may go ahead building the pipeline.

Ruel Loucks made motion that we instruct Rod Stewart of Stewart and Brown to see if he could arrange an agreement with the Figure 4 Ranch to let Cedaredge pay for the 10 shares of Alfalfa Ditch so we can get the point of Diversion in motion. Vernon Vanderbilt seconded the motion. Motion carried unanimously.

Secretary presented the following bills:

\$9.50-----	for cards
<u>1.17-----</u>	for advertising
\$10.67-----	total

The bills were allowed. Meeting adjourned.

  
Secretary

MEETING OF BOARD OF DIRECTORS  
April 13, 1959

A meeting of the Board of Directors was called by President A. Metzger for the purpose of discussing the letter sent to us from F.H.A. office in Montrose. We are supposed to meet with Mr. Howard Borgman of Montrose to discuss the same letter., April 15 at Stewart and Brown's office in Delta at 2:00 P.M. After some discussion about the prospective taps, or taps that are to be contacted by correspondence, a motion was made by Mack Gorrod that we set up \$15.00 or approximately \$15.00 for long distance telephone calls. Motion was seconded by Floyd McPherson--motion carried.

All board members were present.

Meeting adjourned.



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Secretary

MEETING OF BOARD OF DIRECTORS  
April 15, 1959

A meeting was called by Howard Borgman of the F.H.A. office of Montrose in Allen Brown's office in Delta, Colo. He wished to see all board members and our attorney to discuss some of the things that we have to complete before we can close the loan with F.H.A. He checked on the number of membership-paid taps that we have and also the area which would be served.

Members present were Mack Gorrod, Al Metzger, Ruel Loucks and Floyd McPherson. Bob Phillips was also present as he has been helping of the sign-up. Mr. Allen Brown and Howard Borgman were present.

Meeting adjourned at 2:50 P.M. so we could go to the court house to the hearing on our water diversion.



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Secretary

MEETING OF BOARD OF DIRECTORS

April 21, 1959

This meeting was called by the F. H. A. to meet with the board of directors for the purpose of checking membership and discuss the signing of the loan docket.

Howard Borgman of Montrose, F. H. A., Cecil Rose F. H. A. State engineer, Larry Morrill, Pipeline engineer, and Allen Brown, Attorney, along with all five board members were present. In addition we had several interested members present.

Meeting called to order by President, Al Metzger. Mr. Borgman stated that Mr. Rose said loan could be at 4½% if closed by July 1, 1959, otherwise it would be 5%.

In checking paid memberships we found we have 57 members on upper Cedarmesa and Surface Creek and 8 on the lower end of Cedarmesa. Mr. Rose said it looked like we could figure all these members to count for the 90 we need. We also have several more potential members. Mr. Rose asked what seemed to be holding up the sign-up. The secretary said the low minimum on water was the greatest trouble. Mr. Rose said that could be changed by F. H. A. and said he would have it changed from 2,000 gallons minimum to 5,000 gallons minimum. The minimum monthly charge to remain at \$8.50, the same as it was.

The board of directors think this change will be a great benefit in getting members.

Moved and seconded the meeting be adjourned.



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Secretary



NOTICE OF SPECIAL MEETING.

TO THE STOCKHOLDERS OF UPPER SURFACE CREEK DOMESTIC WATER USERS  
ASSOCIATION:

Pursuant to call of A. W. Metzger, President of said Association, NOTICE is hereby given that a Special Meeting of the stockholders of this Association will be held at the Town Hall at Cedaredge, Colorado, on Monday, May 25, 1959, at the hour of 8:00 o'clock, P. M. for the purpose of transacting the following business:

FIRST: To amend ARTICLE II of the Certificate of Incorporation to add certain branch lines to the description of the rights of way claimed by the Association and to delete a portion of the described right of way which will not be used.

SECOND: To amend the By-Laws of the Association as follows:

A. To amend Section 1 of ARTICLE III to increase the membership fee from the sum of \$150.00 to the sum of \$225.00.

B. To amend Section 2 of ARTICLE VII to provide in effect that the Board of Directors of the Association shall have additional power to levy such additional assessments at any time that it may be required to offset any deficits in cost of operation and debt retirement payments, as required by F.H.A. letter dated December 12, 1958.

THIRD: To pass a Resolution to authorize the Board of Directors of the Association to borrow the sum of not to exceed \$140,000.00 for not to exceed 30 years time for the acquisition of water rights and construction of the water system to serve the members of this Association and to designate the officials to execute all necessary and proper evidences of indebtedness and pledge the assets and annual water revenue of the Association as security for the payment of said indebtedness; to enter into contracts for the construction of said Association's portion of the main supply line and the Association's distribution line; and to do all things necessary and proper to proceed with the domestic water system project.

Dated at Cedaredge, Colorado, this 11th day of May, 1959.

Paul A. Sanchez  
Secretary.

A. W. Metzger  
President.

MINUTES OF SPECIAL MEETING OF THE  
MEMBERS OF THE BOARD OF DIRECTORS  
OF UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION, MAY 25, 1959  
9:45 P. M.

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Pursuant to call of the President, all of the members of the Board of Directors were present, consisting of A. W. Metzger, President, Mack Gorrod, Vice-President, Ruel A. Loucks, Secretary, Vernon Vanderbilt and Floyd McPherson.

Pursuant to Resolution passed by the members of the Association at a special meeting held immediately preceding this meeting, it was moved by Vernon Vanderbilt, seconded by Floyd McPherson, that the following Resolution to borrow money from the Farmers Home Administration be approved, to-wit:

"RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE UPPER SURFACE CREEK DOMESTIC WATER  
USERS ASSOCIATION, CEDAREGGE, COLORADO.

RESOLVED, that the President of this Corporation be and he hereby is authorized and empowered to obtain for and on behalf of the Corporation, through the Farmers Home Administration or any other Governmental agency, a loan in a sum not to exceed the amount of One Hundred Forty Thousand Dollars (\$140,000.00) to be advanced by the Government or other lender in one or more advances at such time as may be agreed upon.

1. To execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required;
2. To obligate this Corporation for the repayment of such loan at such rates of interest and on such other terms and conditions as the President shall deem proper;
3. To execute and deliver to the lender all such written instruments as may be required in regard to or as evidence of any loan made pursuant to the terms of this resolution;
4. To pledge, hypothecate, mortgage, convey, or assign property of this Corporation of any kind and in any amount as security for any or all obligations (past, present and/or future) of this Corporation;
5. From time to time to pay, extend or renew any such obligations;
6. To reborrow from time to time, subject to the provisions of this Resolution, all or any part of the amount repaid to the lender;
7. To do and perform all further acts and things necessary



and/or proper in his judgment for the carrying out of the terms of this resolution; and

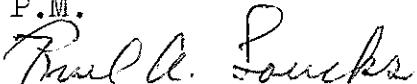
8. To cause the Secretary or Acting Secretary to affix the corporate seal of the Corporation to any or all instruments executed in connection therewith."

Upon reading the same in full, a vote was taken and said motion was found to be unanimously carried and said Resolution declared adopted by the affirmative vote of 5 Directors.

In order to proceed with other requirements to be met in connection with the acquisition of water for the Association's water system and in conformity with the terms of the Option Agreement with the Figure 4 Ranch, Inc., it was moved by Mack Gorrod and seconded by Ruel Loucks that upon transfer of 10 shares of Alfalfa Ditch Company stock to the Association, that the President and Secretary of the Upper Surface Creek Domestic Water Users Association are authorized and directed to execute an irrevocable proxy to Mr. T. M. Lumley, one of the present individual owners of the Figure 4 Ranch in Hart's Basin and to his heirs, successors and assigns, of the Figure 4 Ranch property in Hart's Basin to vote said 10 shares of stock at all annual and special meetings hereafter to be called or which may be called by the Alfalfa Ditch Company to the end that the voting of said stock shall always remain in the land owners in Hart's Basin served by the Alfalfa Ditch. On vote being taken, said Motion was unanimously carried.

The matter of execution of Contract and Agreement on the construction of common pipeline with the Town of Cedaredge, the relative rights of the parties to carry water therethrough, and the division of interests of waters owned by the Association and the Town, was then discussed and it was moved by McPherson, seconded by Gorrod, that the President and Secretary of the Association be authorized to execute that certain Contract between the Association and the Town of Cedaredge as revised by the F.H.A. on or about the 1st day of August, 1958, and that if any further changes are required by F.H.A., that the President and Secretary be authorized to agree to any reasonable changes. On vote being taken, said motion was unanimously carried. Immediately following the board of directors met with representatives of Redlands Mesa: John Hawkins, Ray Coffee, Fred Burrett and Harold Paulson. Mr. Metzgar told them that they probably could get their water from the Association for the same minimum water rate. It might cost them a little more than \$225.00 per tap for added line. Wea assured them to go ahead and collect the same as we have.

Meeting adjourned at 11:10 P.M.

  
\_\_\_\_\_  
Ruel A. Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

June <sup>22</sup>~~21~~, 1959

A meeting was called for the purpose of checking with our engineer, Larry Morrill on the number of taps required for the amount of money it takes to build the line as it is now signed for.


Mr. Morrill figured it will take approximately 100 taps to get a loan that will average what F.H.A. will approve or about \$1,550.00 per tap.

As we have only 90 taps we decided to try to get at least 10 more. The town of Cedaredge, is very interested and want to find out as soon as possible so they can let their contracts accordingly.

Those present were all five board members, engineer, Lorren Morrill, George Bowness and Ed Marrah of the Cedaredge, Council and five other interest members of U.S.C.D.W.U.A.

Lorren Morrill presented the Association with a bill for \$1,621.37. After some discussion, a motion was made by Floyd McPherson to pay \$700.00 on this bill. Seconded by Vernon Vanderbilt. Motion was carried and a check was written for this amount by the secretary.

Meeting adjourned.

  
Ruel A. Loucks, Secretary

MEETING OF BOARD OF DIRECTORS  
July 28, 1958

A meeting of the U.S.C.D.W.A. board was held at the City Hall in Cedaredge July 28, 1958 at 4.30 P.M. Members present were Al Metzger, Mack Gorrod, Vernon Vanderbuilt, Floyd McPherson and Ruel Loucks. The prupose of the meeting was for the election of officers.

Al Metzger was nominated for president by Floyd Mcpherson and seconded by Mack Gorrod. Carried

Mack Gorrod was nominated <sup>for Vice President - R.L.</sup> by Vernon Vanderbuilt and seconded by Floyd McPherson. Carried

Ruel Loucks was nominated for Secretary-treasurer by Vernon Vanderbuilt and seconded by Al Metzger. Carried

A bill for \$69.94 to Stewart and Brown for attorney fees was presented. The board instructed the secretary-treasurer to pay it.

Meeting adjourned at 5:15 P.M.

Ruel G. Loucks  
Secretary

MEETING OF BOARD OF DIRECTORS

Feb. 3, 1959

A meeting of the Board of Directors of the Upper Surface Creek Domestic Water Users Association was held at the Cedaredge City Hall at 4 P.M.

Four Members of the board were present. A.W. Metzger, Floyd McPherson, Mack Gorrod, and Vernon Vanderbilt.

Since all 5 of the board members were re-elected by the stockholders, it was unanimously agreed the board members retain the same positions.

A.W. Metzger-----President  
Mack Gorrod-----Vice President  
Ruel Loucks-----Secretary-Treasurer

Mr. Metzger said he would see the attorney's assistant about some blank legal notes to have for the contact of members.

The meeting adjourned at 4:30 P.M.

*Vernon Vanderbilt*  
Vernon Vanderbilt  
-----  
Acting secretary

*approved Dec 8 1959*  
*R.A.P.*

MEETING OF BOARD OF DIRECTORS

June 25, 1959

The board met with our engineer Larry Morrill, to total our taps. ( Total of taps collected from) We now have 104 members who have paid \$25.00 per tap and have either signed notes or paid \$200.00 in cash. Board members turned in some money collected to secretary. All board members were present.

Motion was made and seconded that meeting be adjourned.

*Ruel G. Loucks*

Secretary

MEETING OF BOARD OF DIRECTORS

July 2, 1959

President Metzgar called a meeting at the Cedaredge Town Hall at 8 P.M.

All board members were present.

Meeting was called for the purpose of having card made for collection on notes as directed by F.H.A. to read as follows: To avoid any further delay F.H.A. requests that we collect those notes by July 15, 1959. Payable to Barbara Hood at Palmers & Company office.

A bill was presented by the secretary for the amount of \$8.39 for printing. Moved by Mack Gorrod, seconded by F. McPherson this bill be paid. Motion carried.

Motion made and seconded that meeting be adjourned.

*Ruel G. Loucks Sec.*

MEETING OF BOARD OF DIRECTORS

July 15, 1959

Board of directors met to check on notes paid and to arrange to pay for the ten (10) shares of Alfalfa Ditch.

Board members present, Vanderbilt, MdPherson, Gorrod and Loucks.

We now have collected the \$200.00 payments from 90 members. We still have 14 to collect from.

Secretary was informed by the board to make appointment with Allen Brown tomorrow, July 16, 1959 to pay for the water stock.

A motion was made by Floyd McPherson that we pay all outstanding bills before we turn money into joint account with F.H.A. Seconded by Mack Gorrod. Motion carried.

*Ruel A. Loucks*

Ruel Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

August 12, 1959

The meeting was called at 10 A.M. at Cedaredge Town Hall by President Metzger. Purpose of meeting was to meet with the F.H.A. Engineer, Ciecle Rose, Of the Denver F.H.A. office, and Ward Taylor, representatinve of the Montrose F.H.A. office. Larry Morrill, pipeline engineer, all board members and 21 other members were present.

Mr. Metzger said that some of the taps were so located that the peipline might not reach them. After some discussion on this question Mr. Rose suggested that the association build the ~~666666~~ rest of the pipeline, and if we have money left we construct this pipeline using a tank and pump and not to expant the pipeline costs at present.

Metzger suggests that the board and engineers work out the most feasible plan to do the job with what money we now have.

The secretary asks whether F.H.A. would close the loan if our collections of taps were less than \$24,6- \$24,691.00 Mr. Rose said he would get us an answer.



All previous minutes that had not been read and approved were read and approved at this time.

Motion was made and seconded that the meeting adjourn.

*Ruel A. Loucks*  

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Ruel Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

Sept. 21, 1959

A meeting of the board of directors of the U.S.C.D.W. U.A. was held at Allen Brown's office in Delta on Sept. 21, 1959 at 2 P.M.

Members present were A.W. Metzger, Mack Gorrod, Vernon Vanderbilt and Ruel Loucks.

Ward Taylor and Ron Fenolia of the F.H.A. were present, along with Allen Brown, attorney, and Laren Morrill, engineer.

Mr. Fenolia stated that F.H.A. wanted to complete the loan docket so the bids could be let on the pipeline project.

Mr. Brown read the loan docket to the group, a copy of which goes on file with U.S.C.D.W.U.A.

Mr. Fenolia said the interest rate would have to be 5% and that the first two annual payments would be interest only if it could be so arranged. The first payment would be interest only and they were going to try to make the second year the same.

The third payment would be \$6850.00 interest  
2346.00 principal  
9196.00 Total

Then \$9196.00 would be the annual payment for the remaining 27 years, the interest payment decreasing and the principal increasing to make the total \$9196.00 per year. The loan docket granted the loan as follows:

First loan	Jan. 15, 1960	--	\$16,000.00	for Cedaredge payment
second "	March 30, 1960	-	42,000.00	engineering
			\$25,000.00	Materials
			15,000.00	installation
			2,000.00	engineering
Third loan	June 29, 1960	--	45,000.00	
			\$28,426.00	Material
			15,000.00	instalation
			1,574.00	engineering
Fourth Loan	August 31, 1960	-	54,000.00	Balance of loan
			<u>\$137,000.00</u>	Total

A bill was submitted by Lorrin Morrel for engineering for \$1,436.24.

Vernon Vanderbilt made motion that the bill be allowed Mack Gorrod seconded. Motion carried.

After F.H.A. and Allen Brown checked and rechecked all papers to be signed and sealed these were taken care of.

Mack Gorrod made motion we adjourn. Vernon Vanderbilt seconded. Meeting adjourned.

*Ruel G. Loucks*  
V. Vanderbilt, secretary pro tem.



MEETING OF BOARD OF DIRECTORS

Nov. 30, 1959

Meeting was called to order by Al Metzger. Minutes read and approved.

Board members present, A. Metzger, Vernon Vanderbilt, Floyd McPherson, Mack Gorrod, Ruel Loucks. Also present Lorrin Morrill, engineer, Ward Taylor of F.H.A. and Earl Troop contractor.

Cedaredge asked to get \$10,000 of the money we owe them on the upper pipeline, if possible. This line has already been constructed by Cedaredge. Mr. Metzger made a motion that we loan Cedaredge \$10,000.00 for ninety days. Motion seconded by V. Vanderbilt. Motion carried.

Mr. Metzger instructed our attorney, Allen Brown to draw up a note and all other legal papers as soon as possible.

Mr. Metzger said Earl Troop would make a negotiated bid on all construction pipeline now so as to avoid further delay.

A motion was made by F. McPherson that we accept Earl Troop's bid of \$44,570.00 to include all labor, construction, machinery and clean-up on present estimated quantities and if unit quantities change that the bid will change accordingly.

Motion seconded by Mack Gorrod. Carried by 5.

The board decided that we would vote for one board member out of the three consisting of Vanderbilt, Gorrod and Metzger. Also vote for one between Loucks and McPherson. The high man from each to retain his office. The vacancies to be filled by nominations of which no more than three to be on board from either Upper Surface Creek or Cedar Mesa.

Meeting adjourned.

*Ruel A. Loucks*  
\_\_\_\_\_  
Ruel Loucks, secretary  
*Read to Board*

BOARD MEETING  
Dec. 15, 1959

The meeting was called to order by President, Robert Phillips. Phillips stated that the purpose of the meeting was to open and read sealed bids on materials on pipeline.

Lorren Morrill, Engineer, opened and read bid schedules from the following companies:

1. Armco Drainage and Metal Products, Denver, Colorado
2. Smith and Scott Co. Riverside, California
3. Thompson Pipe & Steel Denver, Colorado
4. S & M Supply Grand Junction, Colorado
5. Salt Lake Hdw. Co. Salt Lake City, Utah
6. Central Pipe & Supply Grand Junction, Colorado
7. Allied Supply Co. Denver, Colorado
8. Jett Hdw. Supply Co. Springfield, Colorado
9. Water Works Sales Co. Denver, Colorado
10. Biggs Kurtz Hdw. Grand Junction, Colorado

Those present were all board members, Lorren Morrill, our Engineer, Cecil Rose, F.H.A. Engineer, Earl Troop, contractor and several interested people and company sales representatives.

Mr. Rose told the board that he and Mr. Morrill would go over the bid schedules and recommend which ones they thought we ought to accept. Motion was made by Mac Gorrod meeting be adjourned. Seconded by Floyd McPherson. Carried. 4:30 P.M.

  
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Ruel A. Loucks, sec.

RAL:ep1

BOARD MEETING  
Dec. 17, 1959

Meeting was held at Cedaridge Town Hall at 2 P.M. Board members present were R. Loucks, R. Phillips, F. McPherson, M. Gorrod and V. Vanderbilt. Others present were Lorren Morril, engineer, Earl Troop, contractor, Archie Peterson, John Priester, (Armco), Park Hinkson (Smith Scott), Stanley Dodson, (Thomson Pipe and Steel)

Stanley Dodson was called first to express an opinion on schedule 1 bid. Armco was low on schedule 1, but Thompson has earlier delivery date, Jan 22, 1960, guaranteed delivery and guaranteed price, f.o.b. Delta.

Schedule No. 2 for \$3,000.00 more could have a cement lined pipe, Coal tar is superior to asphalt dip.

Schedule No. 3. Thompson- Firm Price Bid on milled pipe on job delivery at site but not strung out. If we change from 14 gauge, Thompson would charge in proportion to extra weight.

John Priester of Armco was called second. Will not change delivery date. If you ship sooner than date it is O.K. but want to be sure of delivery by date named.

Schedule No. 1 Coal Tar Coated which is best protection, March 10 delivery would be a better time to install as coal tar coat will crack if handled in freezing weather. Felt wrap would cushion the coal tar some but would still get brittle in cold weather. Would recommend cushion wrap. A change from 14 gauge to 12 gauge, the price would be directly in proportion to weight.

Park Hinkson (Smith Scott Representative) had talked to all board members before meeting so asked for any questions. He stressed the fact that Smith Scott delivered right to job. Delivery date of 45 days. 0.13 per foot more for 12 gauge over 14 gauge plus \$0.01 freight. Smith Scott did not bid bare inside pipe as he felt it would not be satisfactory. Mr. Hinkson stated welding does not injure cement. He also stated that he or a factory representative would be on hand at start of construction to make sure it is done properly.

Motion by F. McPherson, seconded by V. Vanderbilt to accept Thompson Pipe and Steel bid for Schedule No. 1 on 4" pipe providing they include an asphalt wrap at same price. Motion passed 4 to 1.

A motion was made by R. Loucks to grant power to President, Robert Phillips to accept bid from Grimes Pipe & Supply of Denver if their bid is confirmed as a firm bid on Schedule 3. Lorren Morril was to notify Pres. Phillips when call is received from Grimes. If not a firm bid from Grimes for ~~pres~~ president to accept next low bid from Salt Lake Hdw. Seconded by F. McPherson. Passed unanimously.

Motion by Mac Gorrod to accept low bids on specified materials on Schedules 4 through 9. Seconded by V. Vanderbilt. Passed unanimously.

V. Vandetbilt made motion meeting be adjourned. Seconded by M. Gorrod. Carried.

RAL:ep1

*Ruel A. Loucks*  
Ruel Loucks, sed

BOARD MEETING

Dec. 19, 1959

A meeting was called by Lorren Morrill to decide what guage 4" mainline we wanted to order. Also decide whether to accept bid from Grimes Pipe and Supply or Salt Lake Hdw on schedule No. 3 which is galvanized pipe and fittings.

Grimes' bid was postmarked in time but failed to arrive here in time to open with others on Dec. 15, 1959. Grimes is not a guaranteed bid but will put an esculator clause of not more than 3½%.

Vernon Vanderbilt made a motion that we notify Salt Lake Hdw. that we will accept their bid on Schedules No. 3 and for them to send our Engineer a manufacturers cost not and also a manufacturers cost at time of shipment. Seconded by F. McPherson. Carried.

Mr. Morrill suggested we increase the size of our pipe from Halters and Harts to Harold McCoys from 1¼" to 1½". ~~As~~ Also increase pipe to Farley and Bruesch from 1" to 1½" line for future use of Redlands Mesa. All changes as L. Morrill suggests as follows:

Change No. 1. 21,800 feet mainline from 14 guage to 12 guage at a cost of \$2,810.00.

Change No. 2. Harts and Halters to McCoys, 4,800 ft. inch to 1½ inch at a cost of \$631.12.

Change No. 3. Bruesch and Farley 3,200 feet from 1 inch to 1½ inch at a cost of \$1,751.04.

Change no. 4. Pipe increase for Redlands Mesa 9,400 feet from 2 inch to 2½ inch at a cost of \$2,580.30.

President R. Phillips suggests we buy the extra materials necessary for the changes and additions specified by our engineer. Mac Gorrod made motion on same, seconded by V. Vanderbilt. Carried.

Board members and Engineer all agree that we should allow members to buy pipe at the association cost plus 10% if paid for at the time of order.

It was decided that the Sec. get cards printed for same and take the 10% for records and delivery to each member.

A motion was made by F. McPherson and seconded by Mac Gorrod that the meeting be adjourned. Carried.

  
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Ruel A. Loucks, sec.

RAL:epl



BOARD MEETING  
Jan. 7, 1960

This meeting was called by Ward Taylor to rewrite some of the articles on agreement with town of Cedaredge.

Those present were at A. Allen Brown's office were Ward Taylor of F.H.A. of Montrose, Engineer Lorren Morrill, Association Board Members: R. Phillips, Pres. Vernon Vanderbilt, Vice Pres. and Ruel Loucks, Secretary. Cedaredge representatives: Ed. Marah and George Bowness.

Mr. Brown read the contract and we discussed it as follows:

1. A change from 5 springs to 6 springs and East Fork of Surface Creek.
2. Change from use of line to upper Surface Creek divisions including 10 miles of service line.
3. Change the agreement from 6" line to 8" line if and when the association exercises its option on the other 1/20 interest in the line.
4. Change from division at line to division at 4 points numbered 1,2,3,4,. First party to grant right to 2nd part to construct valve structure and necessary pipeline on 2nd parties' property.
5. A change in boundaries services for Cedaredge to serve the area 1 mile north and east of Cedaredge to Surface Creek. The association not to serve any of this area except where incorporated boundaries now exist.

  
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Ruel Loucks

RAL:ep1

BOARD MEETING

Feb. 4, 1960

A meeting was called at Mr. Allen Brown's office by Mr. Ward Taylor F.H.A. representative from Montrose to close loan papers. All board members were present and Mr. Brown. Mr. Taylor read us a letter from Mr. Booth of F.H.A. office in Denver. Final approval of the loan was acknowledged as of Feb. 2, 1960.

Secretary prepared a certified copy of members and financial report for Mr. Taylor.

Our Loan money vouchers will come in approximately as follows:

1st.	immediately	\$46,000.00
2nd	March 1	46,000.00
3rd	April 1	22,000.00
4th	June 1	23,000.00

Mr. Taylor suggests that we start collecting monthly minimum water charges by May 1, 1960 so we will have the proper amount to pay the first years interest to F.H.A.

Vernon Vanderbilt suggests we call a special meeting and request the stockholders to vote to start water assessments at date needed to have sufficient funds for the year 1960 including F.H.A. interest and budget. This was tabled to a later date.

A motion for adjournment was made by Vernon Vanderbilt. Motion was seconded by Floyd McPherson.

Meeting adjourned at 5:30 o'clock.

*Ruel Loucks*

Ruel Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

May 23, 1960

The board met to make out a budget for the rest of 1960 beginning May 1 to Dec. 1, 1960. We discussed this and filled in the F.H.A. blank form to send in.

We had a discussion on refunding money on taps that the association can not serve. This was left to Secretary to take up with Mr. Taylor. Since there were extra taps purchased to help keep the pipeline from being refused, the Board feels we should help to sell them. We had a drawing to see whose tap would have priority on sale. The sales will be in order as follows, unless owner decided to keep it.

1. H.L. Palmer
2. H.G. Burgess
3. Robert Bull
4. John E. Dickerson
5. Phillips Auto and Impl.
6. Buol, Hurt, and Palmer
7. T.H. Hanson
8. A. Herman
9. H. McCoy
10. Jud Hart
11. Paul Nelson

A discussion followed on meter reading and collection. Vernon Vanderbilt moved we collect for the month of May and June at flat rate until meters were in order to read. Each month monthly minimum of 50,000 gallons to be allowed and second rate to be charged on any excess. Seconded by Floyd McPherson. Carried.

The Board decided to allow \$225.00 for the sale of taps to be sold plus \$5.00 a month after date of first billing until sold, not to exceed \$300.00.

The Board feels that owners of multiple taps can use all their minimum through one meter, provided the extra taps are inactive. We also decided that a disconnection and a re-connection fee of \$5.00 be set for non-payment of water rent.

Meeting adjourned.

  
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Ruel Loucks, Sec.

MEETING OF BOARD OF DIRECTORS

June 16, 1960

Meeting called to order at 5:45 at the Cedaredge Town Hall. Present were Ward Taylor, Ceicle Rose, L. Booth, Larren Morrill and Earl Troop. Four Board Members, Bob Phillips, Vernon Vanderbilt, Floyd McPherson and Ruel Loucks were present.

Mr. Ward Taylor read the budget for the remaining part of the year. In this budget we had \$2,000.00 cash contribution, that was collected for the money from the sale of taps. This was put in joint account to be paid on F.H.A. interest for the time of construction. Larry Morrill read a report on the contractors work ~~east~~ completed and materilas left over. The contractors work cost is about the same as the contract called for as work extra and work left out. We have about \$1,800.00 ~~ex~~ worth of materilas left over.

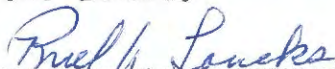
The Redlands mesa project was discussed and the dole-system is figured on.

Morrill and Mr. Rose suggest we pass this and they will work this up tonight.

Bob Phillips entertained a motion that we accept the Redlands Mesa project as the engineers have it planned. McPherson made the motion and Vernon Vanderbilt seconded it. Carried.

Mr. Rose said we could delay charges on Neilson's taps for a certain time to be set by the Board.

Meeting adjourned.

  
\_\_\_\_\_  
Ruel Loucks, secretary



MEETING OF BOARD OF DIRECTORS

June 23, 1960

A meeting was called by Town of Cedaredge at 8 o'clock P.M. at the Town Hall.

Ed Marah, George Bowness, Howard Toothaker Sr. Phill Aust, Bob Lesatz and Jim Beckley of the Town Council and Bob Phillips, Floyd McPherson, V ernon Vanderbilt and Ruel Loucks of the Upper Surface Creek Domestic Waters Users Association were present.

Ed Marah read a notice sent to himself, Mr. Bowness and Bob Phillips from Mr. Paddock, Water Commissioner. This notice said for Cedaredge and Upper Surface Creek to put in a measuring device in the joint pipeline at a given point on Bonita Creek within ten days.

Both companies think we should protest to location of the measuring device as the original plan called for it just above the Hynote ranch house on Milk Creek.


Marah also stated that Charles Buzzard Jr. has some disagreement over the water used from the spring above Deserted Park where we get part of our water.

Marah and Phillips will see our lawyer about this.

The meter reading and billing for Upper Surface Creek was brought up. Some of the board think it would be better to collect from somewhere in Cedaredge. Floyd was appointed to see Buckley Peterson about the maintainence and meter reading. We will read meters between 20th and 25th of each month, bill on the 1st of each month with 10% penalty after the 10th of the month. The first bill to be sent by July 1 for the months of May and June. Secretary will get a letter out to send with first bills.

The board feels we cannot send bills to Walter Neilson until we can deliver water to his property.

Meeting adjourned.

  
\_\_\_\_\_  
Ruel A. Loucks, Sec.

MEETING OF BOARD OF DIRECTORS

June 27, 1960

A meeting was called at Cedaredge Town Hall with the Cedaredge Town Council. Marah, Toothaker, Bowness, Lesatz, Beckley of Cedaredge, and McPherson, Vanderbilt, Phillips and Loucks of Upper Surface Creek were present.

McPherson reports that Buckley Peterson, plumber, wants \$300.00 an hour for the reading and maintainence. We think that is more than we can pay. The Town of Cedaredge said they would read, bill and maintain line for \$80.00 a month plus 1.50 per hour for any labor they have to hire and machinery work also added. We decided to try this for 2 or 3 months. We also had a discussion

about new taps and decided that the tap buyer would have to pay for digging to the main line and association would lay line to and set meter.

Secretary appointed to order 2-5 point wrenches, 2 valve wrenches and 2 key wrenches through our engineer.

*Ruel A. Loucks*

Ruel A. Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

July 13, 1960

A meeting was called by President Bob Phillips to decide what to do about the delinquent bills. Present were Phillips, Loucks, Vanderbilt and McPherson. Gorod has been working off Grand Mesa all summer so has been absent some time.

There are 17 delinquent bills and we think because of starting with 2 months rent could be some of the difficulty.

Bob Phillips said he would compose a letter to send to delinquent members.

We decided to have a regular board meeting to be on the first Monday of each month and pay our bills the 10th of each month.

Secretary will write a letter to Mrs. Mary Halter and Mr. W.E. Amos explaining the operations of the company and water charges.

*Ruel A. Loucks*

Ruel A. Loucks, Secretary

MEETING OF BOARD OF DIRECTORS

JULY 28, 1960

Meeting was held 10 o'clock A.M. in the Conference Room of the Court House in Delta.

Present were Ward Taylor, of F.H.A. of Montrose, Laren Morrill, engineer, Ray Van Gorder, Ted Van Benthussen, Floyd McPherson, Robert Phillips Vernon Vanderbilt and Ruel Loucks of the Upper Surface Creek.

Mr. Taylor called the meeting to order. Stated the first item was to discuss extension to Redlands Mesa.

Laren Morrill stated that figuring average use of water there would be 3 to 4 times the amount of water to supply Upper Surface Creek and Redlands Mesa figuring only 25/00 of a foot of water in low flow or 1/2 Foot No. 1 decree.

Redlands will credit U.S.C.D.W.U.A. WITH our excess galvanized

(cont.)

pipe.

The total cost of \$70,725.00 less 41 members contributions \$9,225.00 Total loan of \$ 61,500.00 from F.H.A. It would cost our Company \$3,775.00 per year repayment. Operation and maintenance would be same as our Company per year \$614.50 a total of \$4,389.50 rent rate would be \$8.50 minimum plus \$6.00 for nest 10,000 gal. 10 members and estimated usage and income for a year with 1st and 2nd rates.

31 members at \$8.50 minimum --	\$1,740.00
	<u>3,162.00</u>
	\$4, 902.00 per year

We would have a reserve of \$512.00 a year over expences.

Larry Morrill and Ward Taylor said we could use some of our own water charges collected to put our air baffle bos in until Redlands loan came in and then replace it from their loan fund.

The 2½ in. line will be galvanized and all other pipe will be plastic pipe. This is to be a dole system.

A special meeting will have to be called ~~to~~ of the total membership to pass on this loan for Redlands Mesa project. This meeting to be September 2, 1960 at 8 o'clock at the Town Hall of Cedaredge to consider authorizing Board of Directors to negotiate Redlands Mesa Project and F.H.A. extention loan.

*Ruel A. Loucks*  
\_\_\_\_\_  
Ruel Loucks, Secretary

MONTHLY  
MEETING OF BOARD OF DIRECTORS

August 1, 1960  
Monday

Meeting was called to order by Bob Phillips. Minutes of last meeting were read and approved.

Vernon Vanderbilt, Floyd McPherson and Ruel Loucks present.

1st item of business:

Vernon Vanderbilt made a motion that all penalties on May and June billing be credited to their accounts because there was some confusion about due date. Floyd seconded. Carried.

Board authorized secretary to pay the Town of Cedaredge bills when submitted.

Secretary turned in a bill for June and July salary of \$40.00. Motion was made to pay this bill and secretary to have monthly financial report at each regular meeting. by Floyd McPherson, seconded by Vernon Vanderbilt. Carried.

Board made a list of unfinished work for Troop which consists of 14 items and a similar list for Larry Morrill that consists of 3 items.

Secretary instructed to order personalized check-book for Company.

Bob Phillips made a motion that the company pay for phone calls put in by members of the board of Directors on business. Vernon Vanderbilt seconded. Motion carried.

Meeting adjourned.

  
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Ruel A. Loucks, sec.

RAL:ep1



SPECIAL  
MEETING OF THE BOARD OF DIRECTORS  
Sept. 2, 1960

This Board meeting was called immediately after the Special meeting of the stockholders.

Present were Phillips, Loucks, McPherson and Vanderbilt of Upper Surface Creek. Also present was Mr. Ward Taylor of F.H.A., Larry Morrill, Engineer and A. Alen Brown, attorney.


Mr. Taylor read a resolution from F.H.A. sheet resolving that the Board authorize the president and secretary to borrow \$61,500.00 from F.H.A..

Floyd McPherson made a motion that we adopt the resolution as read. Vernon Vanderbilt seconded it. On a vote taken all were in favor.

Mr. Taylor would like to have volunteers from the Board to go on a tour with him and some special guests from the Agricultural Bank of Greece. Bob Phillips and Ruel Loucks volunteered.

Mr. Morrill was given permission by the board to go ahead with the uncovered line on Cedar Mesa, to get it under ground before freezing weather. Mr. Morrill was authorized to get necessary materials and labor, for approximately 5,000 feet.

The meeting was adjourned.

  
\_\_\_\_\_  
Ruel A. Loucks, secretary

MONTHLY  
MEETING OF THE BOARD OF DIRECTORS  
Sept. 12, 1960

Present were Bob Phillips, Vernon Vanderbilt and Ruel Loucks.

The minutes of the last regular meeting were read and approved.

The minutes of the Special meeting held Sept. 2, 1960 were read and approved.

A resolution drawn by Allen Brown governing water charges, billing, and collection, was read and adopted by the board. Mr. Troop still has not completed his clean-up along the right-of-way.

Bills that were turned in are:

(From Joint account)

Delta County Independent for advertizing. \$1.43  
Stewart and Brown for one-half Paddock order. \$20.00


(From Company Account)

Mrs. Phillips for file boxes \$8.82  
Secretary salary for August \$20.00

All bills were allowed as read.

President Phillips reports that Redlands Extention has collected 32 out of 41 signers.

Meeting adjourned.

  
\_\_\_\_\_  
Ruel A. Loucks, Secretary

MONTHLY  
MEETING OF THE BOARD OF DIRECTORS  
Oct. 3, 1960

Present were Bob Phillips, Vernon Vanderbilt, Mack Gorrod and John Hawkins and Fred Burritt of Redlands. Also Ruel Loucks was present.

The minutes of the last meeting were read and approved. Bills presented were:

Delta County Independent	\$ 6.50
Secretary salary	20.00
Sachs and Lawlor for rubber stamp	1.80
Mrs. Blanch Phillips for file box	3.32

These bills to come from the Company account.

Vernon Vanderbilt moved the bills be allowed, Mack Gorrod seconded. Motion carried.

We discussed the water charges for Redlands. We feel the charges should be as near the same as Surface Creek and Cedar-mesa as possible. It was left to the secretary to contact Mr. Taylor as follows:

First rate	\$8.50
Second rate	6.00
Third rate	3.25
All additional rates	1.50

Each rate to be for 10,000 gallons.

After some discussion we decided to pay the F.H.A. \$3,000.00 the 10th of October.

Motion made to adjourn. Carried.

  
\_\_\_\_\_  
Ruel A. Loucks, Secretary

RAL:ep1



New page 1.  
Copies delivered to  
Ward Taylor - 9-15-6

RESOLUTION

WHEREAS, the Upper Surface Creek Domestic Water Users Association is now serving two areas on its system designated as the Upper Surface Creek Area and as the Cedar Mesa Area and

WHEREAS, the members of said association have unanimously agreed to include a third designation as the Redlands Mesa Area into said association and

WHEREAS, water is distributed in the first two areas by a high pressure system and is to be distributed on a Dole Valve system to the third area, and

WHEREAS, it is advisable to fix the rates for water distributed by the association in said areas and after careful consideration,

BE IT RESOLVED that the water rates for water distributed in the Upper Surface Creek and Cedar Mesa areas be and the same are hereby fixed as follows:

- For the first 5,000 gallons or less, \$8.50 per month,
- For the next 5,000 gallons, 70¢ per thousand gallons per month,
- For the next 5,000 gallons, 50¢ per thousand gallons per month,
- For the next 10,000 gallons, 25¢ per thousand gallons per month,
- All over 25,000 gallons, 15¢ per thousand gallons per month.

For water distributed in the Redlands Mesa area for water delivered on the Dole Valve low pressure system:

- For members receiving one quart per minute or less, \$8.50 per month,
- For members receiving water in excess of one quart per minute shall be at the rate of \$8.00 per month for each additional quart per minute.

The minimum monthly rate in all three areas shall be \$8.50 per month.

Said charges shall be paid monthly upon billing by the secretary, and in the event of failure on the part of any member to pay the same by the 10th of the month following billing, a 10% penalty shall be added thereto.

State your bills on the last day of the month



Resolution Page 2

Any delinquent water charges shall be chargeable against members membership fee in the event of termination of use of water by said members.

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I hereby certify that the above resolution was duly adopted by the Board of Directors of the Upper Surface Creek Domestic Water Users Association. A special meeting of said board held at Cedaredge, September 12, 1960.

*Paul A. Loucks*

Monthly  
MEETING OF THE BOARD OF DIRECTORS  
Nov. 9, 1960

All board members were present.

The minutes of the last regular meeting were read and approved.

A financial report was given by secretary. Vernon reports that George Warhime has told him that he is through with the pipeline. Vernon and Mack were appointed to see Mr. Warhime and find out what his difficulty is.

Bills that were turned in and allowed by action the Board were:

Secretary salary for October	\$20.00
Ruel Loucks for labor on line	7.50
Ruel Loucks for office supplies	5.00
Cedaredge Lumber Yard for supplies	3.01

Bills to come from the Company account.

Secretary talked to Mr. Taylor about the Redlands water charges and this can be done when the services to Redlands start.

We received a letter from L.D.S. Church wanting a rate for organizations. We decided to charge all organizations the minimum of \$8.50 per month and they could use their 60,000 gallons for the year any time during the year and any water over that amount be charged for at the regular rates.

We have a note from Donald Cramer stating that he wants his fences repaired before he will pay his water rent.

Bob Phillips has already seen Mr. Troop and Mr. Troop said he would take care of it.

We feel the extra taps on Redlands Mesa should be sold by drawing the same as the extra taps in the other two areas. The Redlands taps to be sold on Redlands or to keep equivalent of 31-1-quart doles plus 10 2-quart doles.

President Phillips wants some one to go to the Cedaredge Town Council meeting tomorrow (Nov. 10, 1960)

Phillips and Loucks will go.

We discussed an emergency line from Milk Creek. Secretary will talk to Brown about this and also about the Resolution that was voted on at the Special meeting.

Meeting adjourned.

  
\_\_\_\_\_  
Ruel A. Loucks, secretary

RAL:epl

MONTHLY  
MEETING OF THE BOARD OF DIRECTORS

Dec. 5, 1960

Corrected-1-2-61-----J ohn Hawkins & V. Vanderbilt  
Board members present were Phillips, Loucks, and Fred Burritt.  
Minutes for the last regular meeting read and approved.

Bills presented were:

Delta County Independent for 300 gov. cards	\$15.00
A.C. Peterson for back-hoe labor	12.00
Town of Cedaredge for Maintenance for Nov.	80.00
Secretary salary	20.00

These bills to come from the company account.

Phillips reported that he and Loucks had met with the Town of Cedaredge and we had paid the maintainance of \$80.00 per month for five months and \$20.00 for the bookwork on through the month of May making a total of \$420.00. This brings us up to date with Cedaredge.

The Board worked on a budget for 1961 ,figuring Redlands Mesa for six months.

Vernon made a report that Mr. Warhime was satisfied, at least for the present.

Motion was made for adjournment. Carried.

*Ruel A. Loucks*  
Ruel A. Loucks, Secretary

RAL:ep1

MONTHLY  
MEETING OF THE BOARD OF DIRECTORS  
January 2, 1961

*Members List  
corrected  
approved 1-2-61*

The meeting was called to order by President Phillips at 8:P.M. Members present were Robert Phillips, Mack Gorrod, Fred Burritt, and Vernon Vanderbilt. Also present were Ward Taylor-FHA, Laren Morrill-Engineer, and Allen Brown-Attorney.

The secretary read the minutes of the last board meeting. Minutes approved after correction of members present, Vanderbilt and Hawkins who were present, but not listed.

The treasurer's report was given showing a balance of \$2176.22 in the personal account, and \$4327.61 in the joint account.

Bills presented to the board for approval were:

John C. Calhoun -Audit books-----	\$ 60.00
Delta Independent-Annual Meeting Ad.-----	1.04
Town of Cedaredge-Dec. Billing & Maintenance	80.00
Secretary Sal.-Loucks-Dec. 1-13, 1960	10.00
" " Vanderbilt-Dec. 14-31, 1960	10.00
Treasurer's Bond-----	30.00

(Secretary asked permission to call for refund check from Iowa Valve Company for \$5.47.)

Burritt made a motion, seconded by Gorrod that bills be paid and refund be called for. Motion passed.

Mr. Morrill reported that the original plan with Cedaredge included approximately enough to construct an air-box in the jointly owned line. He felt there should be an adjustment made. Phillips said he would get the figures and try to contact Ed Marah before the next council meeting.

The secretary read a letter from Fidelity & Deposit Co. requesting information on Troop bond, as to whether Redlands Mesa contract was let to Troop, and if so, would it be an extension to original contract, or a new contract.

Search of minutes failed to disclose any official action being taken. This raised the question as to whether board should call for bids for a new contract, or authorize change work order for Redlands Mesa construction of 100,978 feet additional on proposal of Mr. Troop to board Sept. 2, 1960, that he would do the work as follows:

Trench, lay and backfill for .25¢ per foot, plus \$1,000.00 for clearing right of way and gravel, plus \$500.00 to place valves and fittings, for a total cost of .2649¢ per foot.

Mr. Morrill advised that the ~~original~~ cost of Upper Surface Creek and Cedar Mesa lines, even though trench, lay and backfill was .20¢, the over-all cost was .3405¢ per foot, making .0756¢ cheaper per foot the offer made by Troop for Redlands than Surface Creek and Cedar Mesa.

After further discussion, it was moved by Burritt, and Seconded by Gorrod that the following resolution be adopted:

"Whereas: Earl Troop, contractor on the original installation of the Upper Surface Creek and Cedar Mesa line has proposed to proceed, following specifications of general contract and additional specifications of change order, to trench, lay, and backfill 100,978' at the rate of .25¢ per foot (2 foot minimum coverage) plus \$1,000.00 for clearing right of way and gravel, plus \$500.00 to place valves and fittings, all as may be required by the association engineer, on the Redlands Mesa project:

Whereas: Said offer is less on actual overall per foot cost basis than on Upper Surface Creek and Cedar Mesa project, and whereas the board is advised by Ward Taylor that the F.H.A. is agreeable to handling additional project work on change order basis;

Whereas: It is resolved by the Board of Upper Surface Creek Domestic Water Users Association that Item V Work Contract Change Order be completed to include Redlands Mesa project on the basis of the above specifications, as an extension of the Upper Surface Creek Domestic Water Users pipeline, to have completion date set as September 1, 1961.

A vote was taken and this motion was passed unanimously.

Mr. Morrill stated that he thought some action should be taken on making a settlement to McCoy and Pfeiffer on the line which they installed, since they were now in the district limits, and had not been allowed the  $\frac{1}{4}$  mile per tap allowed to other members in the district.

A motion was made by Gorrod and seconded by Burritt that the company pay McCoy and Pfeiffer each \$462.00, providing the payment be made from the construction fund, and that Pfeiffer and McCoy convey to the USCDWUA title of line to and inclusive of meters, and right of way easements. Motion carried.

Mr. Morrill stated that Glenn Cook had received 400' of 3/4" pipe and Nick Macki 200' and they should be billed at .18¢ per foot. He stated that Cedaredge had borrowed 5 meters, to be replaced.



Mr. Taylor asked if the secretary bond had been applied for, and Mr. Brown said it had.

Mr. Taylor asked if Mrs. Phillips was bonded, and Robert Phillips said she was bonded by the Town of Cedaredge.

Mr. Taylor stated that \$426.23 was used from the Redlands Mesa fund to finish payment of air box. He said that amount would be needed from the operation account to the FHA account when first loan money for Redlands comes in.

Mr. Taylor reviewed budget for the next year, and necessary revisions were made. A motion was made by Mack Gorrod and seconded by Fred Burritt that the budget be accepted. Motion carried.

Meeting adjourned at 11:30 P.M.

*V. W. Vanderbilt*

Secretary

*approved  
1-26-61*

MEETING OF BOARD OF DIRECTORS  
January 26, 1961

A meeting was held at 1:00 P.M. at the Phillips Auto & Implement Co. in Delta, Colo.

Board members present were Robert Phillips, John Hawkins, Mack Gorrod, H. G. Burgess, Floyd McPherson, and V. W. Vanderbilt. Others present were Ward Taylor and Cecil Rose of the F.H.A., and Laren Morrill-Engineer.

Phillips called the meeting to order. The first item discussed was additional plans and specifications for the Redlands Mesa Extension, which Mr. Morrill had prepared. After reading and discussing the plans, it was recommended that the minimum coverage for private entrance lines be 36 inches instead of 24 inches. Mr. Morrill agreed to talk to Mr. Troop, and see if he could make this change at the same contract price, and if not what he would ask.

Mr. Rose was approached on the Redlands Mesa Project, and asked for his opinion on the board's resolution of letting Mr. Troop do the work as an extension of the original contract, with contract change order.

Mr. Rose stated he felt that the bid made by Mr. Troop was very reasonable, and that in his experience on many projects, he didn't think it could be done any cheaper. He asked if the board members were all agreed on the resolution. Since three board members were not present when the resolution was passed, the secretary read the resolution for their opinion. The three members, H. G. Burgess, Floyd McPherson, and John Hawkins each stated it met with their approval.

Mr. Morrill stated he would like to have the board set a definite figure for the amount of line to be supplied to Redlands Mesa members who were off the main line.

After discussing the matter, a motion was made by John Hawkins and seconded by Floyd McPherson that the company provide up to 2,112 feet, not to exceed \$633.60 per tap for members off the main line on the Redlands Mesa Extension. (This figure being equivalent to  $\frac{1}{4}$  mile of  $\frac{3}{4}$ " pipe and laying allowed members on Upper Surface Creek and Cedar Mesa.) The motion carried unanimously.

As this was all the business to transact with Mr. Taylor, Mr. Rose, and Mr. Morrill, this part of the meeting was closed, and the board decided to continue with the monthly board meeting.

The secretary gave the financial report showing the personal account balance as \$2,682.13, and the FHA Supervised account balance as \$4333.08. Having read the Meeting of 1-2-61 resolution, and it being approved as read, the secretary presented the following bills for approval:  
File box, postage, and supplies-\$2.42---Secretary Sal. January-\$20.00  
Town of Cedaredge, January-\$80.00, to be paid from Personal account.



Board meeting 1-26-61 Cont'd.

Bill from the FHA Supervised Account: Allen Brown \$126.85  
Farmers Home Administration-Amortized Loan Payment \$2,137.50 for three  
months payment, from the personal account.

A motion was made by Mack Gorrod and seconded by John Hawkins that the  
bills be approved and paid. Motion carried. Meeting adjourned at 3:PM.

V. W. Vanderbilt Sec'y.

*approved 3-6-61*

MONTHLY MEETING OF BOARD OF DIRECTORS

March 6, 1961

The meeting was held at the Phillips home at 8:00 PM. Members present  
were R. E. Phillips, Mack Gorrod, Floyd McPherson, Fred Burritt, and  
V. W. Vanderbilt.

Phillips called the meeting to order.

The secretary read the minutes of the last meeting of 1-26-61. The min-  
utes were approved as read.

The secretary read the financial report of March 1, 1961, showing a  
balance of \$1139.31 in the personal account, and \$4206.23 in the FHA  
supervised account. This was approved.

The secretary presented the following bills to the board for approval:  
Town of Cedaredge-Feb. billing and Maintenance-\$80., E. E. Grubb \$3.50  
for making clamps, & meter repairs \$19.10, V. W. Vanderbilt-Feb. Sec. Sal-  
ary-\$20. and .60¢ FICA tax deducted in Jan. and refunded, A. C. Peterson-  
\$203.50 labor on frozen lines. A motion was made by McPherson and second-  
ed by Gorrod that the bills be paid, except that the Peterson bill be  
deferred until Mr. Troop was contacted on his portion. Motion carried.

Phillips reported that he had contacted Aust and Marah of Cedaredge con-  
cerning paying portion of air boxes designed in original plan of line, and  
they stated there was an error in engineering such that the original boxes  
had to be eliminated to supply enough pressure for the Farley line. The  
board agreed to await further discussion on the matter.

Phillips suggested the secretary prepare a form letter stating provisions  
of the by-laws dealing with delinquent customers.

It was agreed to make a meter reading between March 20 and 25. Phillips  
said he would contact Marah and Troop on preparing the meters and reading.  
The board agreed that the members would not need a notice of starting date.

Vanderbilt agreed to contact Mr. Troop on the Peterson bill.

Meeting adjourned at 9:30 PM.

V. W. Vanderbilt Sec'y.

MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION, APRIL 4, 1961, AT TOWN HALL,  
CEDAREGE, COLORADO.

The meeting was called to order at 2:15 p.m. by  
President Bob Phillips, who appointed director John Hawkins  
to act as secretary in the absence of regular secretary  
Vernon Vanderbilt.

Minutes of director's meeting held March 6, 1961, were  
read and approved.

The following bills were presented for payment:

Town of Cedarege. . . . .	\$80.00
Peterson. . . . .	18.75
Alfalfa Ditch Assesment. . . . .	<u>10.00</u>
Total. . . . .	\$108.75

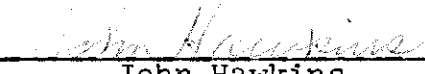
Moved by Fred Burritt and seconded by Floyd McPherson  
that the bills be allowed. Motion carried.

Sealed bids for pipe for the Redlands extension were  
presented and opened in the presence of the board of directors  
of the company; Laren D. Morrill, company engineer; Cecil Rose  
and Ward Taylor, representing Farmers Home Administration; and  
representatives of the pipe suppliers submitting bids.

Those submitting bids were: Salt Lake Hardware Co.,  
Thomspon Pipe and Steel Co., Biggs-Kurtz Hardware Co.,  
Southwestern Supply Co., Hendrie and Bolthoff Co., Arizona  
Plastic Extrusion Co., Central Pipe and Supply, Esco Corp.,  
Armco Drainage and Metal, and Colorado Pump and Supply.

A quick tabulation showed that the bids were within the engineer's estimate and the amount set up by the Farmers Home Administration. Because of the complexity of the bids, time would not permit a complete evaluation of all bids so another meeting was set for Wednesday night, April 5, at Bob Phillips' home to determine which company should receive the order.

Meeting adjourned at 4:15 p.m.

  
 \_\_\_\_\_  
 John Hawkins  
 Acting Secretary

BOARD MEETING\*April 5, 1961

A meeting was held at the Phillips home at 8:00 P.M. Board members present were H. G. Burgess, Mack Gorrod, Floyd McPherson, Fred Burritt, Robert Phillips, and V. W. Vanderbilt. Others present were Laren Morrill and Art Cannon, engineers, and Alvin Davis of Redlands Mesa.

The secretary presented the following bills to the board: Cedaredge Lumber Inc. \$40.93, and Secretary salary for March \$20.00 plus \$3.00 for post cards. Burgess moved the bills be paid, seconded by McPherson and approved by board.

Laren Morrill presented the recommendation of Mr. Rose and himself on the bids received for materials on the Redlands Mesa project:

Schedule 1: Low bid-Salt Lake Hdwe.-15 day delivery-\$698.67  
 " 2: " " Central Pipe & Supply-2 weeks-12,243.42  
 " 3: " " Thompson Pipe & Steel-3 " - 541.49  
 " 4: " " Central Pipe & Supply-2 " - 93.50

(The low bidder on schedule 4 had the schedules tied together in such a manner that schedule 4 could not be awarded individually to the low bidder.)

Schedule 5: 2nd low-Thompson Pipe & Steel-2-3Bal.3wk.102.62  
 (These valves are vitally important to the entire system, and since this bid is exactly in accordance with specifications, this bid is recommended.)

" 6: Low bid-Central Pipe & Supply-2 weeks- 169.50  
 " 7: " " -Colo. Pump & supply -3 days - 44.25  
 " 8: " " -Central Pipe & Supply-2 weeks- 185.00  
 " 9: " " -Thompson Pipe & Steel-2-4wks.-1,059.30  
 " 10: " " -Arizona Plastics -3 weeks-6,680.23

After a discussion by the board, a motion was made by Fred Burritt, and seconded by Burgess, that the board accept the recommendations of Rose and Morrill, with the exception of schedule 10, and to award same to Central Pipe and Supply for their bid of \$7085.12, due to quicker delivery date and being closer to the source of supply. the motion carried unimously.

Floyd McPherson stated he had been asked to approach the board on allowing the Cedar Mesa Community to install a faucet for the Community House to supply drinking water for community functions.

The board tabled the matter, pending the completion of the Redlands Mesa Extension completion, to see if the same privilege could be granted to Redlands Mesa without charge.

The secretary read a letter received from Donald Cramer in answer to a request as to what was needed done in cleaning up his right of way.

Floyd McPherson volunteered to contact Mr. Cramer and go over the matter with him.

On a motion by Burritt, The meeting adjourned at 10: PM.

V. W. Vanderbilt Sec'y.

BOARD OF DIRECTORS MEETING  
June 9, 1961

A meeting was held at the Phillips home at 8:00 P.M. Members present were Robert Phillips, H. G. Burgess, Floyd McPherson, Fred Burritt, John Hawkins, and V. W. Vanderbilt. Art Cannon, Engineer was also present.

The secretary read the minutes of the last meeting of April 5, 1961, and they were approved as read.

The treasurer's report for April and May was read and approved.

The secretary presented the bills to the board for April and May to the board. A motion was made by Burritt, seconded by Hawkins and passed by the board to allow the following bills:

Town of Cedaredge-April \$80.00--May \$80.00, A. C. Peterson--\$22.50, Cedaredge Lumber \$3.58, V. W. Vanderbilt-April \$20.00--May \$20.00. Postage and Supplies-April \$1.02--May-\$3.57.

The board instructed the secretary to prepare form letters and send out to delinquent members, stating the regulations set up in the by-laws regarding delinquent members.

The board also asked the secretary to prepare a form letter to send to the new members of the extension stating the necessity of billing them for the month of May to meet the budget for interest during the construction period. These letters are to accompany the first billing of June 20 for two months billing, May and June.

Art Cannon asked if the board wanted to approve ordering the pipe for the Reed and Ingraham taps. The motion was made by McPherson, seconded by Burgess, and approved.

John Hawkins stated that Henderson would like to pay for the extra cost of putting in 1" pipe over 3/4". The members agreed to do this would be alright and to furnish a dolt valve for a stock tank at the end of the line, providing Henderson would assume the responsibility of freezing.

On a motion by Burgess, seconded by McPherson, the meeting adjourned.

V. W. Vanderbilt Sec'y.



Board Meeting-July 22, 1961

A meeting of the Board of Directors was held at the Phillips home at 2:00 P.M. Members present were R. E. Phillips, Mack Gorrod, H. G. Burgess, John Hawkins, and V. W. Vanderbilt.

The minutes of the meeting of June 9, 1961 were held and approved as read. The treasurer's report was read and approved.

The monthly bills were presented to the board as follows: Carl Himes \$4.28, Rose M. Hall, mimeograph \$6.10, Town of Cedaredge \$80.00 maintenance and billing-\$75.60 supplies on tap installations, postage \$1.20, and secretary salary for June \$20.00. Also presented was a quarterly payment to the FHA for \$2,137.50 on loan 1 plus \$284. for 1 month on the Redlands loan. A motion was made by Burgess, seconded by Hawkins, and passed that the bills be paid, (Cedaredge to be paid \$80. until a meeting with the council.)

Hawkins made a motion, seconded by Gorrod that a meeting be arranged with Mr. Taylor to discuss inspection of the joint line with Cedaredge, and the problem of air in the line. The motion carried. Phillips agreed to arrange a meeting.

The matter of not being able to read the meters and need for the income from overage on water use was discussed. The secretary reported the income was averaging \$110.00 per month short of meeting the obligations. Phillips stated he felt that some of the members who used more than the minimum water would be willing to pay overage on an estimated basis, and that he would get some forms printed to include with the next billing, asking members to pay what was a fair overage to help keep up the payments until the air situation could be remedied.

The meeting adjourned at 4:00 P.M.

V. W. Vanderbilt Sec.

DIRECTORS MEETING August 7, 1961

A meeting was held at the Phillips home at 8:00 P.M.

Members present were Fred Burritt, H. G. Burgess, Floyd McPherson, John Hawkins, R. E. Phillips, and V. W. Vanderbilt. T. N. Hanson, member, and L. D. Morrill, engineer were also present.

Minutes of meeting of July 22, were read and approved.

Bills presented to the board were: Grays \$7.00, Town of Cedaredge \$80., Secretary \$20.00. On a motion by McPherson, seconded by Hawkins, and passed by board, the bills were approved.

Morrill stated that Mrs Ingraham wanted to leave in membership, but not install line until next year.

Fred Burritt moved, seconded by Burgess that the line be installed as originally planned, since it was part of the original indebtedness, and construction costs and material costs would be higher later on, and it would be necessary to collect the monthly payments to meet the budget. Motion carried. Hawkins agreed to notify Ingraham.

On a motion by Burgess, seconded by McPherson, and passed by the board, Earl Troop, original contractor was authorized to install Reed and Ingraham line.



Floyd McPherson moved, seconded by Hawkins, that penalties for May and June, be disregarded for Redlands members, since same was done on the original line for the first two months; motion Carried.

On a motion by Burgess, the meeting adjourned at 10:30 P.M.

V. W. Vanderbilt Sec'y.

DIRECTORS MEETING Sept. 11, 1961

A meeting was held at the Phillips home at 8: P.M.

Members present were H. G. Burgess, John Hawkins, R. E. Phillips, Fred Burritt, and V.W. Vanderbilt.

President Phillips called the meeting to order. The minutes of the meeting of August 7 were read and approved.

Bills presented to the board were Town of Cedaredge \$80. and Secretary salary \$20. Also payments to the FHA for one-quarter of a year in the amount of \$2137.50 on loan 1 and \$852. on loan 2. A motion was made by Burgess, seconded by Hawkins and approved that the bills be paid.

It was brought to the attention of the board that Ed Marah wished to resign from maintenance and meter reading. Phillips stated that Mrs. Phillips offered to continue with the billing and collection for \$25. per month, if the association would furnish the postage. The board agreed to accept this offer. C. D. MacFarlane was suggested as a replacement for Marah. Phillips agreed to contact MacFarlane.

Burritt stated that Mr. Ingraham would like to wait until spring for the construction of the Reed and Ingraham line. The board agreed that if the two members would keep up their monthly payment of \$8.50, the construction could be delayed until they desired. The secretary was asked to notify the two parties of the action by letter.

A resignation was accepted from Mack Gorrod from the board. The secretary agreed to contact member prospects Tory Breusch, and R. P. Shepard to see if they would fill the vacancy if appointed.

New taps discussed were A. T. Wurzbach, and at least 2 taps on the Sheppard land across Surface Creek from the LDS camp, one of which was repossessed from Richard Grover by Shepard, and one new one.

Phillips agreed to contact Laren Morrill, and ask him to look over these potential tap locations to see what could be done. The secretary was asked to notify Mr. Wurzbach of the action taken.

On a motion from Burgess, the meeting adjourned.

V. W. Vanderbilt Sec'y.

BOARD MEETING  
October 2, 1961

A meeting was held at the Phillips home at 8:00 P.M. Bob Phillips called the meeting to order.

Members present were H. G. Burgess, Fred Burritt, R. E. Phillips and V. W. Vanderbilt.

Minutes of the last meeting were read and approved.

The financial report was read and approved.

Bills presented for approval were H. E. Toothaker, notary fees \$6.50; Town of Cedaredge, August maintenance \$60.00; Blanche Phillips, August billing and collecting \$25.00; V. W. Vanderbilt, August secretary salary \$20.00. Moved by Burritt and seconded by Burgess, the bills were approved.

The secretary stated R. P. Sheppard would serve on board. Approved.

The secretary was asked to get a list of delinquent members for notices.

A motion by Burgess, seconded by Burritt and passed, gave the president authority to take necessary steps on action against Fred Paddock.

Mr. Smith of Cedaredge was suggested as a maintenance man, and Phillips agreed to contact him to see if he would be interested.

Meeting adjourned.

V. W. Vanderbilt Sec'y.

BOARD MEETING  
November 6, 1961

A meeting was held at the Vanderbilt home at 8:00 P.M. Directors present were H. G. Burgess, R. E. Phillips, R. P. Sheppard, Fred Burritt, and V. W. Vanderbilt.

Phillips called the meeting to order. The minutes of the meeting Oct. 2 were read and approved. The financial report was read and approved.

Bills presented for approval were: Town of Cedaredge, Oct. maintenance and meter reading-\$60.; Blanche Phillips, Oct. billing and collecting-\$25. and \$15. due Mrs. Phillips for the three previous months on the Redlands Mesa billing and collecting; R. E. Phillips \$298 for the mimeographing charge on notices of new maintenance man; Secretary salary for October \$20.00; and quarterly payment to the F.H.A. loan #1 \$2137.50, & loan #2 \$850.00. The bills were approved after a motion by Burritt and second by Burgess.

Phillips stated that Mr. Macfarlane had agreed to take the maintenance and meter reading job. The board agreed to pay him a flat rate of \$60. per month, and asked that he keep a record of time and mileage, for a basis of any overage needed in his pay. Phillips agreed to contact Mr. Macfarlane on the pay, and see about getting the company materials collected at a suitable location for Mr. Macfarlane.

The board asked to have two badly delinquent taps shut off if not paid, and that a notice be sent to another delinquent member.

On a motion by Burritt, the meeting adjourned.

V. W. Vanderbilt Secretary



BOARD MEETING

December 4, 1961

A meeting was held at the Phillips home at 7:30 P.M. Directors present were R. E. Phillips, H. G. Burgess, Fred Burrirt, and V. W. Vanderbilt. C. D. Macfarlane, maintenance man was also present.

The minutes of the last meeting were read and approved.

The financial report was given and approved after a motion by Burrirt and seconded by Burgess.

Bills presented to the board were: Blanche Phillips-Nov. billing-\$25.00, C. D. Macfarlane-Nov. maintenance and meter reading-\$60., and V. W. Vanderbilt-Nov. Secretary-\$20.00 plus .25 cash paid, notary fee. It was moved by Burrirt and seconded by Burgess and approved to pay bills.

Mr. Macfarlane presented a copy of his work sheet, and time and mileage were figured by the board. Mr. Macfarlane stated \$60. was satisfactory for the month and as a base-pay. He was asked to continue keeping records to determine if any overage would be required if he had more time or mileage, to be based on \$1.25 per hour and .07¢ per mile.

Members of the board prepared a budget for the coming year. This was done and it met with the board's approval.

The secretary was asked to send a copy of the regulations in the by-laws regarding delinquent members, to all members 3 months delinquent.

The meeting adjourned at 9:30 P.M.

V. W. Vanderbilt

Secretary

BOARD MEETING

January 2, 1962

Meeting was held at the Phillips home at 8:00 P.M.

Board members present were Fred Burrirt, H. G. Burgess, R. P. Sheppard, John Hawkins, R. E. Phillips, and V. W. Vanderbilt.

Phillips called the meeting to order. The minutes of the last meeting were read and approved as read. Financial report was read and accepted.

Bills presented to the board were: Blanche Phillips-Dec.-\$25.00, Secretary bond for 1962-\$30.00, C. D. Macfarlane-Dec.-\$60.00, V. W. Vanderbilt-Dec. Secretary Salary-\$20.00, postage and office supplies-\$4.66, Delta County Independent-Ads-\$3.46, and Town of Cedaredge-1/5 of cost of water recorder, repair of damaged pipeline, box and installation in Kehmeier stream, and Denver trip on Paddock case-\$205.61. Bills were approved after a motion by Burgess and second by Hawkins.

The secretary was asked to mail notices of disconnection ~~notices~~ to members three months or more delinquent, if bills are not paid.

After a brief discussion, it was agreed to accept a check from Alvin W. Buckley for a tap to be installed in the spring on the Sheppard land near the L.D.S. Camp. Phillips said he would talk to Tom Hanson, whose extra tap was next up for sale, to see what could be worked out on the \$8.50 per month charge until March.

After a motion by Burrirt, the meeting adjourned at 9:00 P.M.

V. W. Vanderbilt

Secretary

BOARD MEETING  
February 5, 1962

A directors meeting was held at the Phillips home at 8:00 P.M.

R. E. Phillips called the meeting to order. Directors present were: R. E. Phillips, H. G. Burgess, Fred Burritt, John Hawkins, and V. W. Vanderbilt.

Minutes of the January meeting were read and approved as read. The financial report was given and accepted.

Bills presented to the board for approval were: Blanche Phillips \$25., C. D. Macfarlane \$181.54, V. W. Vanderbilt \$20. and .45¢ phone call, Thompson Pipe & Steel \$8.28, John Calhoun \$75., Whiteside Insurance \$45., Cedaredge Lumber \$28.93, F.H.A. 1/4 year amortized payment Loan 1 \$2137.50 and 1/4 year on loan 2 \$959.50, and A. C. Peterson \$637. A motion was made by Burgess, seconded by Hawkins, and passed to pay the bills except the Peterson bill to be held until Mr. Troop could be contacted to figure what portion he would pay on the thawing and digging on frozen lines not down to specification. R. E. Phillips said he would see Mr. Troop.

The secretary reported that the delinquent members notices had been sent out and that 2 of the 3 had paid up. The secretary was asked to notify Mr. Macfarlane to disconnect the tap if not paid immediately.

Meeting adjourned at 9:30 P.M.

V. W. Vanderbilt Sec'y.

SPECIAL BOARD MEETING  
March 2, 1962

A meeting was held at Allen Brown's office at 3:00 P.M. Members present were R. E. Phillips, Floyd McPherson, H. G. Burgess, John Hawkins, and V. W. Vanderbilt.

Members of the Cedaredge Town Council present were: H. E. Toothaker, George Bowness, Robert Lesatz and R. E. Marah.

Mr. Brown stated that the reason for the meeting was so he could get any information regarding facts and dates that would relate to the hearing with the Civil Service Commission on Fred Paddock of Montrose, to be held starting March 7, at 9:30 A.M. at the Delta Court House.

Information was given by the different members, regarding tours, letters, records, dates and information leading up to the action being taken.

R. E. Phillips asked Mr. Brown as to the nature of information the Upper Surface Creek Board might be called upon to supply.

Mr. Brown said he would need information concerning water condition for domestic purposes before the line was installed, and that reservoir water had to be released from the Mesa for winter stock and domestic water.

He said he would want a brief history on how the project was financed, and that it was a hard deal to get such a large project going and to try to get rid of the troubles in the line and have it operate smoothly, requiring the co-operation of all concerned.

He asked for the total cost of the system, and the answer was \$230,000.



Mr. Brown asked as to the amount of water owned by the system, and amount being used at the time water was shut down. The answer was 10 shares of Alfalfa Number 1, or 50/100 Second feet at full flow. The amount being used was 15/100 Second feet.

The secretary reported that at the time the meters could not be read, the company was lacking \$110.00 per month of keeping within the budget. (Actual figures over the fiscal year of 1961 showed an average of \$132.03 per month less income through the months when meters could not be read than for the remainder of the year, and that the months the meters were not read were the summer months, when use should have been at its peak.)

Ed Marah was asked how many of the 80 meters in use had to be repaired during the air troubles in the line after shut-down due to air surges and thumping. His answer was approximately 30 meters.

With Mr. Brown's request for Phillips, McPherson, Burgess, and Vanderbilt to be at the opening of the hearing March 7, Hawkins for being a member of another organization to be in attendance, the meeting adjourned at 5:30 P.M.

V. W. Vanderbilt Secretary

#### BOARD MEETING

A meeting of the board of directors was held at the Phillips home March 5th, 1962 at the Phillips home.

Members present were H. G. Burgess, Fred Burritt, John Hawkins, Floyd McPherson, Robert Phillips, and V. W. Vanderbilt.

Minutes of the board meeting of February 5 were read and approved.

Minutes of the special board meeting held March 2, were read and approved.

The financial report of March 1 was given and after a motion by Hawkins and second by Burritt, was approved.

Bills presented to the board for approval were: Blanche Phillips \$25., C. D. Macfarlane \$94.65, Beach's Garage \$5.80, Cedaredge Lumber \$12.24, V. W. Vanderbilt \$20.00, and A. C. Peterson January digging and thawing \$637.00, February digging and thawing \$263.65, and hauling gravel \$36.00. A motion was made by Burgess, seconded by Hawkins, and passes by the board that the bills be allowed, to pay the Peterson bill and collect the share Mr. Troop owed on the January thawing later when he could be contacted and a decision made as to the portion he would pay.

After a discussion of the facts and figures that might be needed for the Civil Service Hearing March 7, the meeting was adjourned.

V. W. Vanderbilt Secretary.



BOARD MEETING

A meeting was held at the Phillips home at 8:00 P.M., April 2, 1962

Directors present were R. E. Phillips, H. G. Burgess, Floyd McPherson, Fred Burritt, John Hawkins, and V. W. Vanderbilt.

Minutes of the meeting held March 5, 1962 were read and approved.

The April 1 financial report was given and accepted.

Bills presented to the board were Alfalfa Ditch Co. \$10.00, Blanche Phillips \$25.00, C. D. Macfarlane \$60.00, V. W. Vanderbilt \$20.00, U. S. Treasury, first quarter F.I.C.A. Tax \$29.45, Cedaredge Lumber Company \$3.52. The bills were approved by the board after a motion by Burritt, seconded by McPherson.

A motion was made by Burritt and seconded by Hawkins that a set of pipe dies from 2" down and a pipe cutter be purchased for use by the maintenance man. Motion carried. Phillips stated he would see about the purchase of same from Salt Lake or Biggs Kurtz.

The board recommended that Mr. Macfarlane be authorized to construct a portable shelter for pipe and supplies, and gather up the pipe and supplies of the company and inventory them. Phillips said he had metal roofing that could be used on a shelter.

Meeting adjourned at 10.00 P.M.

V. W. Vanderbilt

Secretary

BOARD MEETING

May 7, 1962

A meeting was held at the Phillips home at 8: P.M.

Directors present were R. P. Sheppard, Floyd McPherson, R. E. Phillips, H. G. Burgess, Fred Burritt, John Hawkins and V. W. Vanderbilt.

Minutes of the meeting of April 2 were read and approved as read.

The financial report was given and accepted by the board.

Bills presented to the board were: F. H. A.  $\frac{1}{4}$  year amortized payment on loan 1-\$2137.50, and loan 2 \$959.50, Blanche Phillips \$25.00, C. D. Macfarlane \$89.17, V. W. Vanderbilt \$20.00, Envelopes for billing to Blanche Phillips \$25.40, Cedaredge Lumber \$3.60, and T. H. Hanson \$300. for extra tap sold to Alvin W. Buckley. After a motion by Burgess and second by Hawkins, the board approved the bills.

The meeting adjourned at 9:30 P.M.

V. W. Vanderbilt

Secretary



BOARD MEETING

June 4, 1962

A meeting was held at the Phillips home at 8: P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, Floyd McPherson, Fred Burritt, John Hawkins, and V. W. Vanderbilt.

Minutes of the directors meeting of May 7 were read and approved. The financial report of June 1 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25., C. D. Macfarlane \$80.85, V. W. Vanderbilt \$20., Postage & envelopes \$1.17, Lloyd Mahannah, lumber for shed \$19.33. After a motion by McPherson and second by Burritt, bills were approved.

The meeting adjourned at 9: P.M.

V. W. Vanderbilt Secretary

July 2, 1962

A directors meeting was held at the Phillips home at 8:00 P.M. Directors present were H. G. Burgess, Floyd McPherson, John Hawkins, R. P. Sheppard, Fred Burritt, R. E. Phillips, and V. W. Vanderbilt.

Minutes of the meeting held June 4 were read and approved as read.

The financial report of July 1, was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, V. W. Vanderbilt, secretary \$20.00 and \$2.50 unload pipe and haul pump and supplies, \$1.10 phone call, Cedaredge Lumber \$72.55, Hersey Mfg. Co. \$23.80, U. S. Treasurer F.I.C.A. Tax \$22.81, and C. D. Macfarlane \$135.79. After a motion by Burritt and second by McPherson, the board approved the bills.

After discussing the new lines to A. W. Buckley and A. J. Wurzbach, the board asked Phillips contact Engineer Morrill, and ask that Mr. Macfarlane be put on the projects to supervise installation at Morrill's expense if the engineer's office could not furnish a man, and to inform Mr. Macfarlane if he was to appear on the job.

Vanderbilt was asked to order pipe dies and a cutter to range from 1 3/8" to 2 1/2" for the maintenance man on the system.

After a discussion about community clubs and projects needing drinking water for community non-profit functions, a motion was made by McPherson, seconded by Burgess, and passed unanimously that each of the three communities (Cedar Mesa, Redlands Mesa, and Surface Creek) be allowed 1 free tap for non-profit and non-irrigation community use, provided each section maintains it's minimum number of paying taps, and that the community project pay all cost of installation and maintenance of such tap.

The meeting adjourned at 9:30 P.M.

V. W. Vanderbilt Secretary



BOARD MEETING  
August 6, 1962

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, Fred Burrirt, Floyd McPherson, John Hawkins, R. E. Phillips, and V. W. Vanderbilt.

Minutes of the meeting held July 2, 1962 were read and approved.

The financial report of August 1 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$130.37, V. W. Vanderbilt \$20.00, F. H. A. \$3097.00, Lela Aust, envelopes \$50.80, Palmer & Co., pipe cutter and dies \$95.00, Allen Brown \$182.50, Doughty Steel & Machine \$18.46. After a motion by Burrirt and second by Hawkins the directors approved the bills.

Floyd McPherson made a motion that on members with extra taps, the total of their minimum charges be applied on the scale rate basis for their taps actually in use. Burrirt seconded the motion, and the board passed it unanimously.

Phillips stated he had contacted the F. H. A. on the air problem in the line and the F. H. A. engineer was to be here August 15 to look over the line and valves to see if he could locate the trouble.

After discussing the problem of freezing on dead end lines, and cost of installing drole valves at such places, it was the decision of the board to have the maintenance man contact the members at these taps to see which ones could leave water run in the cold weather to prevent freezing.

The board also discussed the fire outlet on the lower end of Cedar Mesa, and decided to move the outlet out on the main road where it would be more accessable to the fire department.

The meeting adjourned at 9:30. P.M.

V. W. Vanderbilt Secretary

BOARD MEETING  
September 3, 1962

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were Fred Burrirt, John Hawkins, R. P. Sheppard, R. E. Phillips and V. W. Vanderbilt.

Minutes of the meeting held August 6 were read and approved.

The financial report of September 1 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$132.57, V. W. Vanderbilt \$20.00, envelopes \$2.50, R.E.A. \$1.33. After a motion by Burrirt and second by Hawkins, the board approved the bills.

Phillips stated the F. H. A. engineer had not appeared August 15 due to conflicting with his vacation time, but would be in at a later date. Meeting adjourned at 9:00 P.M.

V. W. Vanderbilt Secretary



BOARD MEETING  
October 1, 1962

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, Floyd McPherson, Fred Burritt, John Hawkins and V. W. Vanderbilt.

Minutes of the meeting held Sept. 3, 1962 were read and approved.

The financial report of October 1 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$131.34, V. W. Vanderbilt \$20.00, Palmer & Co., 3/8" die head \$8.75, R.E.A. \$3.32. After a motion by McPherson and second by Burritt, the bills were approved.

After a report by the secretary showing that the expenses for the first nine months of the year exceeded the budget for the same period by \$1300. (due largely to freezing-\$824.15 above budget for machine hire-and \$334.94 on maintenance man due to freezing and faulty valve operation), the board discussed what action should be taken.

It was moved by Floyd McPherson and seconded by John Hawkins that Allen Brown be consulted as to contacting the proper source with a formal complaint that the existing conditions be corrected. The board passed the motion unanimously, and asked that Phillips contact Mr. Brown.

Phillips stated that the Redlands Grange asked if they could be permitted to connect a direct pressure tap instead fo a dole valve for building.

After reading the by-laws concerning such request, it showed in the Amendment to Article III Section IV as follows:"All members in the Redlands Mesa area shall receive water on a dole valve system," so such request being contrary to by-laws, could not be granted by directors.

The meeting adjourned at 9:30 P.M.

V. W. Vanderbilt Sec'y.

SPECIAL BOARD MEETING  
October 17, 1962

A meeting was held at the Phillips home at 8:00 P.M. Directors present were R. E. Phillips, H. G. Burgess, John Hawkins, ~~Fred Burritt~~, R. P. Shepard and V. W. Vanderbilt.

Others present were Art Cannon, Engineer, Earl Troop, Contractor, C. D. Macfarlane-maintenance man, Joseph Pedota-assistant county supervisor of F.H.A., and Mr. Decker F.H.A. Engineer.

Phillips stated the meeting had been called to see what could be done in regard to the freezing and air problems, which had cost the system \$1300. for the first nine months of the current year.

A lengthy discussion followed concerning the automatic valves and air problems. The F.H.A. engineer suggested as the first action to be taken that Cannon contact the valve manufacturer to have a factory man check the valves and make any corrections needed, since the sales representative hadn't come up with any solution.

The problem of the pump setup was discussed, since it kicked off an any drop in voltage and would not go back on until reset by hand. Cannon



said he would see about extra cost of exchanging the present motor for one with a special winding, that would automatically start when the voltage came back up. He also said that an air release valve should be installed ahead of the pump at Sheppards.

The lines that had given trouble freezing were discussed next. Mr. Troop stated that he would bury the sections that were too shallow deeper. The following sections were listed as shallow: Doughty line in the region of the sandstone ledge, Mack Gorrod line, Glen Jennings line, A. Z. Bowen line, and the Nick Macki creek crossing to be buried.

Mr. Troop said he wanted to pay any charges due to freezing on lines not deep as the specifications for the last winter.

The meeting adjourned at 11:30 P.M.

V. W. Vanderbilt Secretary

#### MONTHLY BOARD MEETING

November 5, 1962

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were H. G. Burgess, John Hawkins, R. E. Phillips and V. W. Vanderbilt.

Minutes of the meeting held October 17 were read and approved.

The financial report of November 1, 1962 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25., C. D. Macfarlane \$62.07, V. W. Vanderbilt Secretary \$20. and hauling pipe and supplies \$7.10, Delta Plumbing and Heating \$4.85, and F. H. A. quarterly amortized payment \$3097.50. After a motion by Burgess and second by Hawkins, the bills were approved.

The board discussed changing the board meeting night from the first Monday of the month, since Sheppard was not able to attend. It was the decision of the board to change to the first Thursday of the month.

The secretary was instructed to send delinquent notices to three members getting too far behind on water assessments.

The meeting adjourned at 9:00 P.M.

V. W. Vanderbilt Sec'y.

#### MONTHLY BOARD MEETING

December 7, 1962

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were Fred Burritt, John Hawkins, R. E. Phillips, and V. W. Vanderbilt.

Minutes of the directors meeting held Nov. 5, 1962 were read and approved.

The financial report of Dec. 1, 1962 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25., V. W. Vanderbilt \$20.00, C. D. Macfarlane-Nov. maintenance \$78.12, and labor and mileage on helping lower and repair the shallow lines (to be paid by Mr. Troop) \$64.37, Delta County Independent \$8.72, R.E.A. \$3.32, Cedaredge Lumber \$21.50, and John C. Calhoun \$75.00. After a motion by Burritt and second by Hawkins, the bills were allowed.

Hawkins stated that Mr. Russell Church had moved his trailer house to his property on Redlands Mesa, and had asked for his water tap to be installed soon. The directors instructed Hawkins to go ahead with the installation of the tap.

The meeting adjourned at 9:00 P.M.

 Sec'y.

BOARD MEETING  
February 5, 1963

A board of directors meeting was held at the Phillips home Feb. 5, 1963 at 8:00 P.M.

Directors present were R. P. Sheppard, H. G. Burgess, Floyd McPherson, R. E. Phillips, Fred Burritt and V. W. Vanderbilt. Earl Troop, contractor and Laren Morrill and C. A. Cannon engineers were also present.

Minutes of a directors meeting held Dec. 11, 1962 were read and approved.

The financial report of February 1, was given and accepted after a motion by Burgess and second by Burritt.

Bills presented to the board were: (January bills) Blanche Phillips \$25.00, C. D. Macfarlane \$106.87, V. W. Vanderbilt \$20.00, Supplies & Postage .60, Treasurers bond \$30.00, R.E.A. \$3.32, and Cedaredge Lumber Inc. \$23.09/; (February Bills) Fourth Qtr. FICA \$29.88, Compensation Insurance \$48.00, Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, envelopes \$2.70, File Box \$3.04, R.E.A. \$3.32, C. D. Macfarlane \$85.08, F.H.A. \$3097.10, Beachs Garage \$4.10, and A. C. Peterson \$301.12. After a motion by Sheppard and second by McPherson, bills were approved.

Burritt made a motion that the company try out a welder mounted on a trailer which Phillips Auto and Implement had for sale for \$195.00, and to purchase same if it did the thawing satisfactorily. Sheppard seconded the motion and board passed unanimously.

The matter of installation on the Russell Church line was discussed, and a motion by H. G. Burgess and seconded by McPherson was as follows: Mr. Church be billed for all cost on the first temporary installation, and cost of pipe frozen on last installation plus actual cost over the actual footage to put line to property line or within 200' of house. Motion carried.

Mr. Troop presented construction bill on Buckley, Wurzbach, Russel Church and Locke lines. He also said he planned to let the company part of the cost to McCoy & Pfeiffer lines go for the 1962 thawing on shallow lines. The board having made settlement with McCoy & Pfeiffer on labor and material for 1/2 mile, understanding that all construction had been paid by those parties, decided another meeting would have to be called on this matter.

Mr. Morrill said the REA agreed to put a recording volt meter on the line supplying the pump for a period of time, and if voltage showed too low,

they would remedy it at no cost to pipeline company. He also said he had received word that the valve company would send in a factory man to check the air valves.

Mr. Morrill said the air problems had been discussed with Mr. Decker, FHA engineer, and they had a suggestion which they considered the most economical and feasible thing to try. It consisted of a prefabricated piece of large pipe to be inserted in the line at trouble spots to slow flow of water and trap air, with an air release in the pipe.

The board asked Morrill to make some estimate of cost in time for a meeting with Mr. Decker sometime the latter part of February.

The meeting adjourned at 11.00 P.M.

V. W. Vanderbilt Secretary.

BOARD MEETING  
February 27, 1963

A board of directors meeting was held at Phillips Auto and Implement Co. in Delta, Colo. at 10:00 A.M.

Members present were: R. E. Phillips, H. G. Burgess, John Hawkins, and V. W. Vanderbilt. Others present were: Laren Morrill-Engineer, Richard Jameson-F. H. A. Supervisor, and Chuck Decker-F. H. A. Engineer.

Minutes of the board meeting held February 5, 1963 were read and approved as read.

The financial report of February 27 was given and after a motion by Burgess and second by Hawkins the report was accepted.

Bills presented to the board were: Blanche Phillips-\$25.00, V. W. Vanderbilt-\$20.00, C. D. Macfarlane-\$66.63, Hersey Meter Co.-\$21.06, and R.E.A.-\$3.32. After a motion by McPherson and second by Burgess, the bills were approved.

Phillips stated that Walter Nielsen wished to sell his second tap to Mr. Cox, and that he would let Mr. Cox pay the company the back assessments on same and he would deduct this amount from cost of stock to Mr. Cox. McPherson moved, Burgess seconded, and the board approved unanimously to allow Mr. Nielsen to sell membership on these terms.

Mr. Morrill, Mr. Decker, and Mr. Jameson discussed the air problems with the board, and Mr. Morrill gave some estimated figures on different projects which could be considered to solve problem.

McPherson made a motion, seconded by Hawkins, and passed unanimously to try a prefabricated section of large pipe in the 8" line above the valve which is causing trouble with air locks; this section to contain an air release valve to try to eliminate air ahead of the present valve. Mr. Morrill estimated this could be done complete for \$500.00, and that he would check further to verify figures.

Phillips stated he would contact persons to meet to figure out the deal on the Pfeiffer and McCoy line.

The meeting adjourned at 12:00 Noon.

V. W. Vanderbilt Sec'y.



BOARD MEETING

April 2, 1963

A meeting of the directors was held at the Phillips Home at 8:00 P.M.

Directors present were: H. G. Burgess, Floyd McPherson, R. P. Sheppard, John Hawkins, R. E. Phillips, and V. W. Vanderbilt.

Minutes of the meeting held February 27, 1963 were read and approved.

The financial report of April 1, 1963 was given and approved by the board after a motion by Hawkins and second by McPherson.

Bills presented were: Blanche Phillips \$25.00, C. D. Macfarlane \$60.00, V. W. Vanderbilt \$20.00, Alfalfa Ditch Co. \$10.00, Biggs-Kurtz Co. \$27.08, Internal Revenue Service \$28.53, R. E. A. \$3.32, Cedaredge Lumber \$9.51, Lela Aust \$60.80. McPherson moved the bills be paid, seconded by Hawkins, and passed by the directors.

Hawkins made a motion that the Earl Troop bill of \$2024.95 be paid except \$500.00 to be held back until the McCoy-Pfeiffer deal was figured out. McPherson seconded the motion and the board passed it unanimously.

Sheppard made a motion, seconded by McPherson, and passed by the board, that the fire supply hydrant at Rowleys be moved out to the road and up to the 1 $\frac{1}{4}$ " line, and that Rowleys meter be moved out to the property line, the company to furnish all materials needed for the change. The secretary was instructed to notify Mr. Macfarlane to contact John Hawkins when he was ready to make the change.

The meeting was adjourned at 9:30 P.M.

V. W. Vanderbilt Sec'y.

BOARD MEETING

May 7, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, Floyd McPherson, R. P. Sheppard, R. E. Phillips, John Hawkins and V. W. Vanderbilt.

Phillips called the meeting to order, and minutes of the meeting held April 2, 1963 were read and approved.

The financial report of May 1 was given and accepted by the board after a motion by Burgess and second by Hawkins.

The following bills were presented to the board: F.H.A. quarterly payment \$3097.10, C. D. Macfarlane \$71.52, Hirsch Appliance \$1.07, Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, Envelopes \$2.40, Minute Sheets \$2.55, Cedaredge Lumber \$2.18 and R.E.A. \$3.32. After a motion by Burgess, seconded by Hawkins, the board approved bills.

The meeting adjourned at 8:45 P.M.

V. W. Vanderbilt Secretary



BOARD MEETING  
June 4, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: Floyd McPherson, Fred Burritt, John Hawkins, R. P. Sheppard, R. E. Phillips and V. W. Vanderbilt.

The meeting was called to order by R. E. Phillips.

Minutes of the meeting held May 7 were read and approved as read.

The financial report of June 1 was given and accepted after a motion by McPherson and second by Hawkins.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$176.92, V. W. Vanderbilt \$20.00, and R. E. A. \$8.98. A motion was made by Sheppard, seconded by Hawkins and passed to allow the bills.

The continuing air problem was discussed at length by the board to try to figure what action should be taken.

R. P. Sheppard moved the F.H.A. be notified of the circumstances under which the system had operated since the line was first used, with air conditions and dissatisfaction of users during the summer months, and the inability to get any follow through on these continuing problems. Hawkins seconded the motion, and it was passed unanimously.

R. E. Phillips agreed to arrange for the course of action.

The meeting adjourned at 10:00 P.M.



Secretary

SPECIAL BOARD MEETING  
June 18, 1963

A special meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. P. Sheppard, Floyd McPherson, Fred Burritt, John Hawkins, R. E. Phillips and V. W. Vanderbilt. Laren Morrill, engineer was also present.

Phillips called the meeting to order and said the meeting had been called to consider the current problems, and what action to take.

Morrill said that the problem of the valves had been going on since the fall of 1961, showing correspondence up to the present time to the factory men, and the valve companies, with no definite relief or results.

After considerable discussion as to the action to be taken, a motion was made by Hawkins that a special stockholders meeting be called to authorize the directors to apply for a supplemental loan to install a stilling and storage tank, and such other items necessary to increase the efficiency of the system; meeting to be held at the soonest date possible in accordance with the by-laws. McPherson seconded the motion and it passed unanimously.

Meeting adjourned at 11:00 P.M.



Special  
MEETING OF DIRECTORS  
July 19, 1963

A directors meeting was held at the Cedaredge City Hall at 10:30 P.M.

Directors present were John Hawkins, Fred Burritt, Floyd McPherson, R. E. Phillips, R. P. Sheppard and V. W. Vanderbilt.

Phillips called the meeting to order and said the meeting was called in regard to adopting a resolution for loan application authorized at the special stockholders meeting earlier in the evening.

A motion was made by John Hawkins that a resolution be adopted to make application with the FHA for a supplemental loan of \$28,000. to install storage tanks and such items necessary to improve the system, loan to be a 10 year extension to present loan at present repayment rates. Floyd McPherson seconded motion and it carried unanimously.

Meeting adjourned.

V. W. Vanderbilt Sec'y.

Special Directors Meeting  
August 1, 1963

The directors met at a special meeting with the Cedaredge Town Council at the City Hall at 8:00 P.M.

Directors present were: Floyd McPherson, John Hawkins, R. P. Sheppard, and V. W. Vanderbilt.

Cedaredge council members present were: Bob Lesatz, Lloyd Anderson, Ed Marah, George Bowness, Phil Aust, Clarence Beach, H. E. Toothaker.

Marah stated the meeting was called to discuss additional water supply. Trickle Park stream, Beaver Creek, additional springs and other possible sources were discussed.

It was the general opinion that the possibility of springs should be investigated.

A tour was planned by all who could attend from the Cedaredge council and the Upper Surface Creek board for Friday, August 9, 1963 to start at 10.00 A.M. from the City Hall.

Meeting adjourned at 9:00 P.M.

V. W. Vanderbilt Sec'y.



Directors Meeting  
August 6, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, John Hawkins, Fred Burritt, R. P. Sheppard, R. E. Phillips, V. W. Vanderbilt and maintenance man, C. D. Macfarlane.

Minutes of the meetings held June 18, July 19, and August 1 were read and approved.

The financial report of August 1 was given and accepted.

Bills presented to the board were: (June) Blanche Phillips \$25.00, C. D. Macfarlane \$168.64, V. W. Vanderbilt \$20.00, supplies .50, Waterworks Sales \$12.28, R.E.A. \$3.32, Internal Revenue Service \$32.15, Cedaredge Lumber \$7.96, Delta County Independent \$13.96, (July) Westminster Contractors \$36.00, R.E.A. \$10.81, Cedaredge Lumber \$13.37, Blanche Phillips \$25.00, C. D. Macfarlane \$115.81, V. W. Vanderbilt \$20.00, R. M. Campbell \$4.44, F. H. A. \$3097.10. Burrit moved the bills be paid, seconded by Burgess, and approved by the board.

The directors asked the secretary to send delinquent notices to the members getting behind with the assessments.

The meeting adjourned at 9:30 P.M.

V. W. Vanderbilt Secretary

Directors Meeting  
September 3, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were R. P. Sheppard, H. G. Burgess, John Hawkins, Floyd McPherson, Robert Phillips and V. W. Vanderbilt. C. D. Macfarlane was also present.

Minutes of the meeting held August 6, 1963 were read and approved.

The financial report of September 1, 1963 was given and accepted.

Bills presented to the board were: Blanche Phillips-\$25.00, C. D. Macfarlane \$96.67, V. W. Vanderbilt \$20.00, Stamped envelopes \$6.00 and Delta-Montrose Power lines \$5. 61. A motion was made by McPherson, seconded by Burgess and passed by the directors that the bills be paid.

With no further business requiring board action, the meeting adjourned.

V. W. Vanderbilt Secretary

DIRECTORS MEETING

November 5, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M. Directors present were: John Hawkins, H. G. Burgess, R. P. Sheppard, R. E. Phillips and V. W. Vanderbilt. C. D. Macfarlane was also present.

Minutes of the meeting held September 3 were read and approved as read.

The financial report of November 1 was given and after a motion by Hawkins and second by Burgess it was accepted.

Bills presented to the board were: October-Blanche Phillips \$25.00, C. D. Macfarlane \$96.51, V. W. Vanderbilt \$20.00, Waterworks Sales \$23.80, Hersey Meter Co. \$6.40, R.E.A. \$4.69, Internal Revenue Service \$37.42 and Cedaredge Lumber Inc. \$1.43.--November-Blanche Phillips \$25.00, C. D. Macfarlane \$79.73, V. W. Vanderbilt \$20.00, Cedaredge Lumber \$33.79, Waterworks Sales \$7.30, R.E.A. \$4.69, F.H.A. \$3097.09 and Morcan Engineering \$266.00 to be paid from the F.H.A. Supervised account. Hawkins moved the bills be paid, Sheppard seconded the motion and board approved the bills.

Burgess made a motion that the secretary take the necessary steps to repossess the Mary Halter tap since the delinquent payments now amounted to \$322.15. The board passed the motion.

With no further action to be taken, the meeting adjourned at 9:30 P.M.

V. W. Vanderbilt Secretary

DIRECTORS MEETING

December 3, 1963

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, Fred Burrirt, R.P. Sheppard, John Hawkins, R. E. Phillips and V. W. Vanderbilt. C. D. Macfarlane, Maintenance man was also present.

Minutes of the meeting held November 5 were read and approved.

The financial report of December 1 was given and accepted.

Bills presented were: Blanche Phillips \$25.00, C. D. Macfarlane \$94.11, V. W. Vanderbilt \$20.00, Joe Hamilton \$56.00, Cedaredge Lumber \$99.50, Delta-Montrose Power \$3.32 and Delta Independent \$12.96. After a motion by Burgess and second by Burrirt, the bills were allowed.

A proposed budget for the next year was read and discussed. After a motion by Burgess and second by Burrirt, the directors voted to adopt the budget.

The delinquent members were discussed and the board agreed that two members whose accounts were considerably delinquent, and had given no response to disconnection notices mailed previously, should be disconnected if not paid up at once. C. D. Macfarlane was instructed accordingly.

board

The board discussed the possibility of coming off the joint line approximately 3 miles further up from the 4" line at Gorrod corner to eliminate the present back-pressure valves and pump. Maps were studied and it was agreed to persue the matter further.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt  
Secretary



SPECIAL DIRECTORS MEETING  
December 17, 1963

A meeting was held at the request of the Cedaredge Town Council at 9:30 P.M.

Directors of the Upper Surface Creek Domestic Water Users Association present were: R. E. Phillips, H. G. Burgess, John Hawkins, Fred Burritt and V. W. Vanderbilt.

Members of the Town Council present were: Clarence Beach, Phil Aust, Ed Marah, Lloyd Anderson, George Bowness, Robert Lesatz and H. E. Toothaker.

Marah stated the meeting had been called to discuss the line into the Hale Reservoir area to pick up springs for the pipeline. He stated at the present time there was only about a quarter of a foot in the joint line from the Cedar Mesa Reservoir area, and that Cedaredge only had from .07 to .10 after the Upper Surface Creek line took off. He asked as to the opinions of the Upper Surface Creek board on helping out on the financial end of the new line, total estimated 1/5 to be \$8000 to \$10,000.

R. E. Phillips said the first step to be taken would be to advise the F.H.A. of the situation, and get their opinion as to what could be done. Phillips said he would contact Mr. Jameson, and the board would try to have some indication of what could be done in 10 days or at all possible.

Meeting adjourned at 10:30 P.M.

V. W. Vanderbilt Secretary

DIRECTORS MEETING  
January 7, 1964

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were R. E. Phillips, R. P. Sheppard, H. G. Burgess, Fred Burritt, John Hawkins and V. W. Vanderbilt. C. D. Macfarlane-maintenance man and Laren Morrill-Engineer were also present.

Minutes of the board meetings held December 3 and December 17 were read and approved as read.

Bills presented to the board were: Blanche Phillips-\$25.00, V. W. Vanderbilt-\$20.00, C. D. Macfarlane-\$114.31, Allen Brown-(Secretary-Treasurer Bond)-\$30.00, John Calhoun-\$75.00, Lela Aust-(Envelopes)-\$61.30, Don Whiteside-(Compensation Insurance)-\$55.00, F.I.C.A. Tax-\$29.39, Cedaredge Lumber Company-\$3.49, and Delta-Montrose power-\$3.32. The bills were approved after a motion by Burritt and second by Burgess.

Phillips reported that he had talked to Ed Marah, and told him that we might possibly have to negotiate for a delayed purchase of 1/5 of the new pickup line from the Hale Reservoir area.

Laren Morrill said he had a more complete estimate on the proposal of a line from above the air-box to the present line at Gorrod's corner. He said that some 6" pipe would be required @ \$1.80 per foot, and 4" pipe @ \$1.06. He said that Mr. Troop estimated that it would take .60¢ per foot for trenching, laying and covering. With pressure reducers, and an estimated 12% for contingencies and engineering, the total est-

1-7-1964 Cont'd.

imated cost was \$40.696.

Morrill said he had talked to the F.H.A., and the maximum we could borrow without raising the rates would be \$31,000.00, (\$28,000 of which was already applied for).

After much discussion, it was agreed that there was no feaseable way to put in the line from above the air-box with funds available, and the most pressing and beneficial projects were discussed.

R. P. Sheppard moved that we pay for 1/5 of the collection lines from the Hale reservoir area at the lowest possible figure and not to exceed \$10,000.00, and to persue other projects of a 50,000 gallon tank on Cedar Mesa and air relief devices on the 8"line ahead of present back-pressure valves as far as the \$28,000.00 loan permits. John Hawkins seconded the motion, and it was passed unanimously.

With no further business, the meeting adjourned at 10:00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING

February 4, 1964

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, Fred Burritt, John Hawkins, R. P. Sheppard, R. E. Phillips and V. W. Vanderbilt. C. D. Macfarlane and Earl Troop were also present.

R. E. Phillips called the meeting to order.

Minutes of the meeting held January 7, 1964 were read and approved.

The financial reports of February 1 were given and after a motion by Hawkins and second by Sheppard, the board accepted the reports.

Bills presented to the board were: Blanche Phillips-\$25.00, C. D. Macfarlane-\$201.57 labor and \$8.41 cash for parts, V. W. Vanderbilt-\$20.00 Secretary salary, labor \$95.01 and .86 cash for parts, Delta-Montrose Power-\$3.32, Check book \$4.01, F.H.A.-\$3097.10, Cedaredge Lumber-\$7.04, Vurl's Farm Supply-\$13.92, Delta Plumbing & Heating-\$20.57, Bob Phillips cash for parts-\$1.43, Joe Hamilton-\$100.00, Lloyd Hicks-\$226.00, Glenn Bass-\$432.25, Fred Burritt-\$30.00, and John Hawkins \$150.00. Bills were approved after a motion by Sheppard and second by Burgess.

Phillips stated that the matter of the line project above Hinotes was still being persued, and he figured that it looked quite feaseable to the engineer at the figure of \$31,000.

Mr. Troop was asked about the bill on his back-hoe for digging the holes for thawing, and he said there was no charge as the machine wasn't in use at the time. He also said that if a truck was needed to haul water for the Redlands Mesa Users until their lines thawed out, He was quite sure the International belonging to the Civil Defense would be available.

With no further business, the meeting adjourned at 9:30 P.M.

*V. W. Vanderbilt*

Sec'y.



DIRECTORS MEETING  
February 25, 1964

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, H. G. Burgess, John Hawkins and V. W. Vanderbilt. Chuck Decker-F.H.A. engineer, Richard Jameson-F.H.A. supervisor, and Laren Morrill-engineer were also present.

Robert Phillips called the meeting to order.

Minutes of the meeting held 2-4-64 were read and approved as read.

The financial reports of 3-1-64 were given and accepted.

Bills presented to the board were: Blanche Phillips-\$25.00, V. W. Vanderbilt-\$20.00, C. D. Macfarlane-\$60.00, Delta-Montrose Power-\$3.32, Archie Peterson-\$48.00

After a motion by Burgess and second by Sheppard, the bills were allowed.

The next item of business was the hauling of water for the users on Redlands Mesa with frozen lines. John Hawkins said he had been hauling to the members when they needed water, except Russel Church and Ray Henderson, who were hauling their own. Cost of time and gasoline figured to be about \$2.20 per thousand. A motion was made by H. G. Burgess and seconded by Hawkins that Church be discounted  $\frac{1}{2}$  on his bill while he was hauling water since his useage was small, and Henderson be allowed all of his bill since he was a heavy user, and having to haul so much. The motion was passed unanimously.

Mr. Decker asked as to the proposed projects being considered. Mr. Morrill explained the proposal to take off in minote's with our supply line, and installation of a tank in addition to the present stilling basin, with the overflow to return excess water and air back into the Cedaredge main line.

Mr. Morrill stated that the proposal of tanks on Cedar Mesa and Redlands Mesa could not be done in addition to his first project outlined on account of funds which would be available. He also explained that the company would probably need about \$10,000. for their 1/5 share of the new supply being installed by Cedaredge from Grand Mesa. It was explained that the Town of Cedaredge would probably be glad to hold off on the payment of the company share of this, if the first proposal was used, since this would eliminate the heavy pressure on the main line due to having to force the water back up to the high points of the company line.

Mr. Morrill estimated the cost of the spur line with a tank to retain the water for about 10 minutes for eliminating air would be about \$34,000. Mr. Jameson and Mr. Decker estimated that the authorized loan of \$28,000. could probably be increased by another \$6,000. without raising the water rates. They agreed to check over the figures further.

Sheppard moved the spur line be installed if funds were available. Burgess seconded the motion, and the board approved.

Sheppard made a motion, seconded by Hawkins that a special stockholders meeting be called at the earliest possible date for the purpose of authorizing the board to increase the present authorized loan to the maximum available from the F.H.A. without increasing rates to members. Carried.

The meeting adjourned at 10:30 P.M.

*V. W. Vanderbilt, Secy.*



DIRECTORS MEETING  
April 4, 1964

A meeting of the directors was held at the Cedaredge City Hall at 2: P.M.

Directors present were: H. G. Burgess, Fred Burritt, Floyd McPherson, R. P. Sheppard, John Hawkins, R. E. Phillips and V. W. Vanderbilt.

Minutes of the meeting held 2-25-64 were read and approved as read.

The financial report of April 1, was given and approved after a motion by Hawkins and second by Burgess.

Bills presented to the board were: Blanche Phillips-\$25.00, C. D. Macfarlane-\$80.18, V. W. Vanderbilt \$20.00, Nielsen-Luthye Garage-\$8.00, R.E.A.-\$3.32, Delta County Independent-\$13.80, Alfalfa Ditch-\$15.00, Cedaredge Lumber Co.-\$14.84, Internal Revenue Service-\$54.80, John Hawkins, labor hauling water February & March-\$421.87, 300 gallons of gasoline-\$90.00, padlock and diaphragm-\$3.40. Hawkins turned in a check ~~in a check~~ for water sold to non members for \$11.30, at the rate of \$1.00 per thousand. The bills were allowed by the board after a motion by McPherson and second by Burritt.

A list of the delinquent accounts was reviewed, and the secretary was instructed to send notices to the delinquent members.

The meeting was recessed at 2:30 P.M. to open the special stockholders meeting, and reopened at 4:00 P.M.

A motion was made by R. P. Sheppard, seconded by Floyd McPherson, and passed by the directors, to authorize the president to sign and the secretary to attest the various papers necessary for application of the loan authorized by the stockholders at the previous meeting.

The meeting adjourned at 4:15 P.M.

V. W. Vanderbilt Secretary

Directors Meeting  
May 5, 1964

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were R. E. Phillips, John Hawkins, Fred Burritt, R. P. Sheppard, Floyd McPherson and V. W. Vanderbilt. C. D. Macfarlane was also present.

Minutes of the meeting held 4-4-64 were read and approved as read.

The financial report of May 1 was given and accepted by the board after a motion by Sheppard and a second by McPherson.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$275.12, V. W. Vanderbilt \$20.00, Postage \$2.20, F. H. A. \$3097.10, Wesley Shandy \$327.00, Johns Manville \$429.96, Delta Hardware \$11.28, Delta-Montrose Power \$3.32, Delta Plumbing & Heating (cash by Macfarlane \$2.04, Cedaredge Lumber \$9.62, Joe Hamilton \$36.00, and John Hawkins \$183.75. McPherson moved the bills be allowed. Burritt seconded the motion and the board approved.

The board instructed the secretary to send delinquent notice to 1 member.

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DIRECTORS MEETING  
September 1, 1964

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: John Hawkins, R. P. Sheppard, Floyd McPherson, R. E. Phillips and V. W. Vanderbilt. Lloyd Anderson was also present.

R. E. Phillips called the meeting to order.

Minutes of the meeting held 8-4-64 were read, and approved as read.

The financial report of 9-1-64 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane \$11.27, Lloyd Anderson \$140.69, Vernon Vanderbilt \$20.00 secretary salary and \$6.00 stamped envelopes, Delta-Montrose Rural Power Lines \$11.98.

A motion was made by McPherson, seconded by Sheppard, and carried that the bills be paid.

The problems concerning the Hilsen line were discussed to see what could be done to remedy the high maintenance costs due to so many trips to the upper cistern.

Floyd McPherson moved that the dole valves be moved to the cistern at the Hilsen house, and by-pass the upper cistern. Sheppard seconded the motion, and it was carried. Phillips said he would consult Allen Brown as to the company's status on the matter. He also called Mr. Hilsen and discussed the change with him.

The secretary was instructed to write a letter to Waterworks Sales Company of Denver to get repairs for the air release valve on the upper take-off, since it was requiring so many trips to keep it operating, and the lower valve had operated so well since repair by waterworks sales a year previous.

The meeting adjourned at 9:30 P.M.

 Sec'y.

DIRECTORS MEETING  
November 24, 1964

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, R. P. Sheppard, John Hawkins, Fred Burritt and V. W. Vanderbilt. Joe Hamilton was also present.

R. E. Phillips called the meeting to order.

Minutes of the meeting held September 1, 1964 were read and approved.

The financial report of November 1, 1964 was given and accepted.

Bills presented to the board were: September-Blanche Phillips \$25.00, Lloyd Anderson \$83.52, V. W. Vanderbilt \$20.00, Cedaredge Lumber \$2.34, Delta-Montrose Power \$12.29, Internal Revenue Service \$38.34, October-Blanche Phillips \$25.00, Lloyd Anderson \$93.34, V. W. Vanderbilt \$20.00, Cedaredge Lumber \$9.49, Joe Hamilton \$123.00, Hartman Bros. \$6.38,



Directors Meeting 11-24-1964 Cont'd.

Delta-Montrose Power Lines \$11.98, F.H.A. \$3097.09, Envelopes \$1.20, Bank charges .30, November-Blanche Phillips \$25.00, Lloyd Anderson \$60.00 and V. W. Vanderbilt \$20.00. After a motion by Burgess and second by Burritt, the bills were approved.

The secretary told the board he had been notified November 22 by Lloyd Anderson that he wished to resign from the maintenance job Decemoer 1, 1964.

Joe Hamilton had been contacted and he told the board he would take the maintenance job at the present pay rate of \$1.25 per hour and .07 per mile with a guarantee of \$60.00 per month minimum. The board agreed to let him take over the job effective December 1, 1964.

A proposed budget was accepted by the board for the next fiscal year, to be presented to the members at the annual meeting to be held December 8, 1964 at the Cedaredge Town Hall.

The delinquent accounts were discussed by the board, and it was agreed that more rigid enforcement should be used on collecting accounts. Phillips stated that he would emphasize this at the membership meeting.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt Secretary

DIRECTORS MEETING  
December 8, 1964

A meeting of the directors was held at the Cedaredge Town Hall at 4 P.M.

Directors present were: R. E. Phillips, John Hawkins, R. P. Sheppard, and V. W. Vanderbilt. Joe Hamilton and Leonard Hilsen were also present.

Phillips called the meeting to order.

Minutes of the meeting held November 24, 1964 were read and approved.

The financial statement was given and accepted.

Bills presented to the board were: Cedaredge Lumber \$3.77, Delta-Montrose Power Lines \$18.16, Delta County Independent \$14.42, Bernard Chinn \$20.24, Cedaredge Conoco \$1.65, John C. Calhoun \$75., Lloyd Anderson \$22.68.

The bills were approved after a motion by Sheppard and second by Hawkins.

Mr. Hilsen said he still was short of water at times, and was wondering what could be done to find a leak in the line, as he was sure he wasn't using too much. After discussing the matter, Joe Hamilton suggested placing meters on the line at different points to check the flow. The board and Mr. Hilsen agreed that it seemed the best to try, and gave Hamilton permission to go ahead.

Delinquent accounts were reviewed, and Joe Hamilton was instructed by the board to disconnect 4 users who had previously been notified by the secretary that accounts had to be paid by November 1, 1964. The secretary was asked to mail notices to others 3 months delinquent. The meeting adjourned at 4:30 P.M.

V. W. Vanderbilt Secretary



Directors meeting 5-5-64 Cont'd.

The secretary reported the total costs of the line repair of the plastic Redlands Mesa line to be \$1065.28, the cost of hauling water to those users \$616.87, and cost of the repair and thawing of the galvanized line \$1276.06.

The meeting adjourned at 9:00 P.M.

*V. W. Vanderbilt*

Secretary

Directors Meeting  
June 2, 1964

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: Floyd McPherson, Fred Burritt, H. G. Burgess, John Hawkins, R. E. Phillips, R. P. Sheppard and V. W. Vanderbilt. C. D. Macfarlane was also present.

Minutes of the meeting held May 5, were read and approved.

The financial report of June 1, was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, C. D. Macfarlane \$189.38, Thompson Pipe & Steel \$46.31, Wesley Shandy \$37.50, Industrial Materials Co. \$18.18, Delta-Montrose Power Lines \$7.45, Waterworks Sales \$48.85, Johns Manville \$3.18 and Cedaredge Lumber \$8.65. After a motion by McPherson and second by Burritt the bills were approved by the board.

With no other business to be acted upon, the meeting adjourned at 8:30 P.M.

*V. W. Vanderbilt*

Secretary

Directors Meeting  
July 7, 1964

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, John Hawkins and V. W. Vanderbilt.

The financial statement of July 1, 1964 was given and accepted.

Bills presented to the board were: Blanche Phillips-\$25.00, C. D. Macfarlane-\$93.34, V. W. Vanderbilt\*\$20.00, Delta-Montrose Power Lines-\$12.34, Cedaredge Lumber Inc.-\$3.08, U. S. Treasurer-(F.I.C.A. Tax) \$91.01. The bills were approved after a motion by Sheppard and second by Hawkins.

The meeting adjourned at 9:00 P.M.

*V. W. Vanderbilt*

Secretary

Directors Meeting  
August 4, 1964

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were R. E. Phillips, R. P. Sheppard, John Hawkins, Fred Burritt, Floyd McPherson and V. W. Vanderbilt. C. D. Macfarlane was also present.

Minutes of the meeting held July 7, 1964 were read and approved.

The financial report of August 1, 1964 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, C. D. Macfarlane 148.55, V. W. Vanderbilt \$20.00, Vurl's Farm Supply \$40.89, Joe Hamilton \$16.00, Delta-Montrose Power Lines \$12.04, A. C. Peterson \$100.00, F.H.A. \$3,097.10, Lela Aust (1000 Window Envelopes) \$61.30 and Cedaredge Lumber Inc. \$20.77. McPherson moved and Sheppard seconded the motion that the bills be approved. Motion Carried.

Phillips stated that the Hilsen line had been having trouble being out of water, and that Mr. Macfarlane had refused to go beyond the cistern owned by John Burritt, used to supply the water for Hilsen. Phillips said he had called Ed Marah to see if he could find the cause, and that the line was plugged with dirt, and not delivering water to the cistern.

The board agreed that the line belonged to the Association, and was the responsibility of the Association to maintain. Mr. Macfarlane stated that he had formerly told the board he would not go beyond the cistern, and that he still felt the same about it and that the directors could "can" him.

After considerable discussion of maintenance problems in general, Phillips called to see if the services of Lloyd Anderson or Ed Marah of the Town of Cedaredge could be available for maintenance of the line, and the answer was affirmative.

R. P. Sheppard moved that the maintenance be turned over to the Town of Cedaredge on the same pay basis of a guaranteed minimum of \$60.00 per month with a record of time at \$1.25 per hour and mileage at .07¢ to determine any overage due. John Hawkins seconded the motion and it was passed by the board.

Phillips called Mr. Macfarlane, since he had left the meeting earlier, and notified him of the action of the board, and that the shed, tools, and materials of the association would be moved.

The secretary was instructed to notify water users of the change in maintenance phone numbers.

The meeting adjourned at 10:30 P.M.

  
Secretary

DIRECTORS MEETING

1-5-1965

A meeting of the directors was held at the Cedaredge Town Hall at 7: P.M.

Directors present were: R. P. Sheppard, Fred Burritt, H. G. Burgess, John Hawkins, R. E. Phillips and V. W. Vanderbilt. Joe Hamilton, maintenance man, was also present.

Phillips called the meeting to order. Minutes of the meeting held December 8, 1964 were read and approved.

The financial report of January 1, 1965 was given and accepted .

Bills presented to the board were: Cedaredge Lumber \$20.52, Delta-Montrose power \$3.32, Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, Joe Hamilton-December maintenance \$91.69 and machine hire \$161.00, Treasurers bond \$30.00, Compensation Insurance \$64.00 and 4th. quarter F.I.C.A. tax \$28.70. The directors approved the bills after a motion by Burritt seconded by Burgess.

The delinquent accounts were discussed, and only one had not responded . Phillips said he would contact the person by phone.

With no further business, the meeting adjourned at 7:45 P.M.

V. W. Vanderbilt

DIRECTORS MEETING

2-2-1965

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: John Hawkins, H. G. Burgess, R. E. Phillips and V. W. Vanderbilt. Joe Hamilton was also present.

Phillips called the meeting to order. Minutes of the meeting held January 5, 1965 were read and approved as read.

The financial report of 2-1-65 was given and accepted.

Bills presented to the board were: F. H. A. \$3-97.10, Blanche Phillips \$25.00, V. W. Vanderbilt-Secretary salary \$20.00, envelopes and postage \$3.10, Joe Hamilton \$60.00, Delta-Montrose Power \$3.32, Waterworks Sales \$30.60. The bills were approved after a motion by Hawkins and second by Burgess.

Delinquent accounts were reviewed by the board with one account not responding to the notices. Joe Hamilton was instructed to disconnect the tap. The secretary was instructed to notify the owner of the membership certificate, that the person using water under the tap was delinquent.

The meeting adjourned at 9:00 P.M.

V. W. Vanderbilt  
Secretary



DIRECTORS MEETING  
May 4, 1965

A directors meeting was held at the Hawkins home at 8:00 P, M.

Directors present were: John Hawkins, Fred Burritt, H. G. Burgess and V. W. Vanderbilt. Joe Hamilton, maintenance man, was also present. Fred Burritt called the meeting to order. Minutes of the meeting held 2-2-65 were read and approved as read.

Financial reports of May 1, 1965 were given and accepted.

Bills presented to the board were: February-Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00 and Delta-Montrose Power \$3.32. March-Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00 Secretary Salary, Postage \$2.53, Delta Montrose Power \$3.32, Alfalfa Ditch Assessment \$30.00 and F. I. C. A. tax \$25.14. April- Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, Delta Montrose Power \$3.32, Lela Aust, envelopes \$61.30, Cedar-edge Lumber \$1.27 and F. H. A. \$3097.10. The bills were approved after a motion by Burgess and second by Hawkins.

The secretary asked the board about the purchasing of some new meters, as the original supply had been used. Fred Burritt said he would get some prices from Grand Junction.

A line to Clarence Reed was discussed, and since no membership payment nor transfer had been received, it was the decision to hold up installation until payment was received.

A proposed line to Don Knight was discussed. Joe Hamilton was asked what price he could give on the digging, and stated he would install the line for .25¢ per foot. With necessary pipe and materials it was estimated that the total cost of the line (approximately ½ mile) would be about \$1,000. The secretary was asked to write Mr. Knight a letter stating his cost would be approximately \$366.40 in addition to the membership of \$300.00.

Joe Hamilton said he would get a tap installed for Thomas Whitecotton and for Craig Farley as soon as he could get to them. He was also asked to install the new parts in the upper valve, and to check out the electric line from the pump to the tank, and start the pump soon.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt Secretary

DIRECTORS MEETING  
June 9, 1965

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, Fred Burritt, John Hawkins, R. P. Sheppard, Floyd McPherson and V. W. Vanderbilt.

Phillips called the meeting to order; the secretary read the minutes of the meeting held May 4, 1965, and they were approved as read.

The financial report of June 1 was given and accepted.

Bills presented to the board were: Blanche Phillips, \$25.00, Joe Ham-

Directors Meeting 6-965 Cont'd.

ilton \$79.48, V. W. Vanderbilt \$20.00, Postage .30, Delta-Montrose Power lines \$4.23, C. D. Macfarlane \$6.25, and Cedaredge Lumber \$48.61 to be paid from the personal account, and Joe Hamilton \$458.75 from the F.H.A. joint account. The bills were approved by the board.

The judges decision of 6-7-1965 on the diversion issue was discussed.

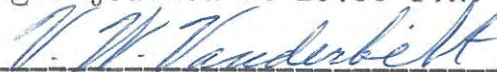
The board after discussion agreed :

1-to tentatively accept the judges decision on the decree;

2-to propose to the Town of Cedaredge that the ownership of the portion of 8"line to be paralleled by the proposed new line would be released to the town in exchange for release of liability on construction of any new pickup lines;

3-to meet with Allen Brown before the judges decisions protest date expired to discuss the matter with him. Bob Phillips said he would arrange the meeting.

With no further business, the meeting adjourned at 10:00 P.M.

  
Secretary

DIRECTORS MEETING

June 11, 1965

A meeting of the directors was held at 8:00 P.M. at Allen Brown's office in Delta.

In addition to Mr. Brown the directors present were: R. E. Phillips, H. G. Burgess, Floyd McPherson, John Hawkins, Fred Burritt and V. W. Vanderbilt.


Mr. Brown was asked to express his views on the ruling by Judge Kempf on leaving the Upper Surface Creek Domestic Water Users Association's points of diversion unchanged.

Mr. Brown explained that he felt that a portion of the water should have points of diversion changed, since the town of Cedaredge was entitled to their proportionate share of the water in the presently used lines, and that the balance would not be adequate on dry years for the association's needs.

He explained that it would be a lot easier to protest the decision than to have to ~~have to~~ file for a diversion change all over again.

After discussing the matter, a motion was made by John Hawkins, seconded by Floyd McPherson and approved to have Mr. Brown ask the court to modify the clause in section III of the decision to allow change of diversion points on 20/100 of the association's water.

The board agreed to meet with the Cedaredge council as soon as Ed Mar-ah was available, and Phillips agreed to arrange a meeting.

  
Secretary

SPECIAL DIRECTORS MEETING

June 17, 1965

A meeting of the directors was held with the Cedaredge City Council at the City Hall at 8:00 P.M.

Directors present were: Fred Burrirt, John Hawkins, Floyd McPherson, R. E. Phillips, R. P. Sheppard and V. W. Vanderbilt.

Cedaredge council members present were: Les Kyle, Robert Lesatz, Lloyd Anderson, Ed Marah, George Bowness and H. E. Toothaker.

Ed Marah asked Bob Phillips to act as chairman for the meeting.

Phillips stated that the board members of the Upper Surface Creek Domestic Water Users felt that some agreement should be made between them and the Cedaredge Council regarding the new proposed pick-up lines and costs of the project. Phillips said that the Redlands Mesa line uses 2/100 of a second foot, and the metered users about 5/100 of a second foot of water, and that the board members would like to be relieved of any cost on the extension until more water was needed, and in return would release to Cedaredge the portion of 8" line to be paralleled by the proposed project of the Upper Surface Creek Domestic water Users. He explained that if some storage could be made in the project that no more water would be needed for present usage.

Ed Marah said that he thought that at a meeting in Mr. Brown's office, that Mr. Morrills estimate of \$60,000.00 had been given and that he thought that some of the loan approved by the Upper Surface Creek members was to go for a portion of the Pick-up lines.

R. P. Sheppard stated the Upper Surface Creek board had at no time been able to agree to any amount of payment, since the F. H. A. had not approved any loan for this purpose, and neither had the stockholders.

Marah agreed that he recalled that the board had made the statement that they didn't have any means of financing the project at the present time.

It was agreed by the two groups to meet with Mr. Morrill to discuss the matter further, and get figures from him.

Ed Marah agreed to arrange the meeting.

The meeting adjourned at 9:30 P.M.



Secretary

DIRECTORS MEETING  
September 7, 1965

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, Fred Burrirt, Floyd McPherson, John Hawkins, R. E. Phillips, and V. W. Vanderbilt. Joe Hamilton was also present.

Minutes of the directors meetings held June 9, June 11 and June 17 were read and approved as read.

The financial report of September 1, 1965 was given and accepted.

Bills presented to the board were: June-Blanche Phillips \$25.00, Delta-Montrose Power \$9.38, Joe Hamilton \$115.59, V. W. Vanderbilt, \$20.00,




Directors Meeting 9-7-65 Cont'd.

and Internal Revenue Service \$24.25;  
July Bills: Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, Delta-Montrose Power \$9.07, Joe Hamilton-Maintenance \$116.16, and back-hoe work \$40.00, F.H.A. \$3097.10, Cedaredge Lumber \$1.52, and Ivan Three-wit extra tap \$300.00;  
August Bills: Blanche Phillips \$25.00, V. W. Vanderbilt \$20.00, Joe Hamilton \$60.00, Delta-Montrose Power \$8.75, Thompson Pipe & Steel Company \$19.93, Johns-Manville \$48.40, Southwestern Supply \$37.45, Freight \$4.24, Town of Cedaredge-Meters & Supplies \$94.89.

After a motion by McPherson, seconded by Burritt the bills were approved by the board.

With no further business, the meeting adjourned at 9:30 P.M.

  
Secretary

DIRECTORS MEETING  
October 5, 1965

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, John Hawkins, H. G. Burgess, R. P. Sheppard and V. W. Vanderbilt.

Minutes of the meeting held 9-7-1965 were read and approved as read.

The financial report of 9-1-1965 was given and accepted.

September bills presented to the board were: Thompson Pipe & Steel Co. \$173.02, Blanche Phillips \$25.00, Blanche Phillips \$25.00, Joe Hamilton \$98.12, V. W. Vanderbilt, Secretary Salary \$20.00-postage \$1.40, Delta-Montrose Power \$9.06 and Cedaredge Lumber \$1.44. Bills were approved by directors after a motion by Burgess and second by Hawkins.

The directors discussed the matter of the pickup lines extension and agreed that a formal agreement should be made with the town of Cedaredge. Phillips agreed to arrange a meeting with the Cedaredge Council, Allen Brown, and the F. H. A.

The meeting adjourned at 9:30 P.M.

  
Secretary

SPECIAL DIRECTORS MEETING  
October 28, 1965

A meeting was held at the Cedaredge City Hall at 8:00 P.M.

Upper Surface Creek Directors Present were: H. G. Burgess, John Hawkins, R. P. Sheppard, R. E. Phillips, and V. W. Vanderbilt.

Cedaredge Councilmen Present were: H. E. Toothaker, Charles Hughes, George Bowness, Ed Marah, Robert Lesatz, Lloyd Anderson. Allen Brown, Attorney, and Mr. Velut, Assistant County supervisor of the F. H. A. were also present.

R. E. Phillips was asked to act as chairman for the meeting.

' Special meeting 10-28-1965 Cont'd.

Phillips stated the meeting had been called for the purpose of trying to get a formal agreement with the Cedaredge Council on the new pick-up lines financing. He told the group that the stockholders had approved \$35,500.00 for the directors to borrow from the F. H. A. for the proposed parallel line and tank improvements. Mr. Velut stated that they thought the figure could be raised to \$37,000.00 and not raise present rates to the stockholders, providing the Washington Office would approve the loan, and after the length of time that had elapsed since Washington had approved loan, the entire loan was subject to Washington's re-approval.

said

Phillips<sup>A</sup> the Upper Surface Creek proposed take off in Hinotes extension would relieve the pressure on the lower end of the joint 8" line.

Ed Marah said that Cedaredge was not aware the lower 8" line would be joint and under pressure, and thought the Upper surface creek takeoff to be in Hinotes pasture instead. He said that Cedaredge has exhausted present funds on pickup lines. He agreed that valve mal-functions were probably causing a lot of the upper surface creek systems trouble.

Mr. Brown stated that any common improvement is for both parties, and formal agreement between parties should be made.

R. P. Sheppard said if money had to go for extending pick-up lines, the present system will have to remain the same, and if pressure blows up the 8" line, the cost might be high. Marah agreed that the line was unsatisfactory.

said

Phillips<sup>A</sup> that \$34,000.00 was the estimate on the proposed parallel line and one tank for stilling the water. The estimate was reviewed and Ed Marah thought some of the figures were high and that savings could be made on construction costs, and also after he checked the bid prices on pipe, found the cost on 4" to be .90¢, and 6" to be \$1.15 per foot. It was agreed to do further checking on estimate. Marah said if Cedaredge could be of any help before the Upper Surface Creek annual stockholders meeting they would be glad to do so. He said they figured the Upper Surface share of the cost to be about \$12,000.00, but figured the parallel extension would be of benefit to the Cedaredge Line, and that \$10,000.00 would be a fair settlement.

*V. W. Vanderbilt, Sec'y.*

Directors Meeting  
November 29, 1965

A meeting of the directors of Upper Surface Creek Domestic Water Users Association was held at the office of Morcan Engineering in Delta at 8:00 P.M.

Directors present were John Hawkins, R. P. Sheppard, R. E. Phillips, H. G. Burgess, Fred Burritt and V. W. Vanderbilt. Art Cannon, engineer, was also present.

Mr. Cannon was informed that the group had asked to meet with him to discuss the feasibility of a parallel line to take off at an elevation high enough above the air-box in Hinote's pasture to eliminate the pump and to run to the first air relief valve for the present, with tank for stilling water at take-out, and storage tank to be installed on Cedar Mesa. The balance of the proposed parallel line could be installed as a continuation at such time funds were available, if necessary to improve operation of the system.

R. P. Sheppard told Mr. Cannon that he had done some figuring on the proposal, and had obtained figures on cost of materials for concrete tanks, and it appeared that this portion of the project could be done with funds available, and still leave some for settlement with Cedar-edge on a portion of the new collection system. Phillips was asked to consult an attorney to try to determine amount owed Cedar-edge.

Mr. Cannon was asked if it was possible that air could be trapped between the two back-pressure valves; causing some of the valve malfunction and air problems, to which Mr. Cannon replied that it was possible.

Mr. Cannon told the directors that he would have to go up to the Hinote pasture and determine elevations to see how far above the air-box ~~xxxxxxxxxxxxxxxxxxxx~~ the line would have to go.

The directors asked him to do so, and to get firm prices on both concrete and steel tanks. He said that he would do so.

The above named directors then went to the Highway Cafe to complete the business meeting at 9:45 P.M.

Minutes of the meeting held 10-28-1965 were read, and approved as read.

The financial statement of November 29, was given and accepted.

Bills presented to the board were: October-F.H.A. 4th Quarter payment-\$3097.09, Blanche Phillips \$25.00, Delta-Montrose Power \$18.76, F.I.C.A. Tax \$31.25, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, Delta Savings and Loan (Investment for reserve) \$500.00; November bills: Blanche Phillips \$25.00, Joe Hamilton \$60.00, and V. W. Vanderbilt \$20.00. After a motion by Burritt, seconded by Burgess, the Bills were approved by the board.

The following resolution was read to the directors:

RESOLUTION: RESOLVED, That the funds of the undersigned be and the same are hereby authorized to be added to or paid into a savings account in Delta Savings and Loan Association and that said institution be and it is hereby authorized to pay withdrawals until further writ-



Directors Meeting Nov. 29, 1965 Cont'd.

ten notice to it signed in the name of this organization as indicated below by any one person or persons, whose signatures appear below said institution further is authorized to accept a pledge of all or any part of said account as security for any loan made by it to said organization and executed in its name by the signatory parties indicated in the preceding sentence. Said institution is authorized to supply any endorsement for the undersigned on any check or other instrument tendered for this account and it is hereby relieved of any liability in connection with collection of such items which are handled by it without negligence and it shall not be liable for the acts of its agents, sub-agents or others or for any casualty. Withdrawals may not be made on account of such items until collected, and any amount not collected may be charged back to this account, including expense incurred, and any other outside expense incurred on account of this account may be charged to it.

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION

R. E. Phillips -President

V. W. Vanderbilt-Secretary

Authorized Title

Signatures

Fred Burritt made a motion that the resolution be adopted. The directors approved adopting resolution after a second by H. G. Burgess.

The next item of business was a proposed budget for the December 1, 1965 to December 1, 1966 Fiscal year. John Hawkins moved, and R. P. Sheppard seconded the motion that the proposed budget be accepted by the directors and presented to the stockholders at the annual meeting. motion carried.

with no further business, meeting adjourned at 10:15 P.M.

V. W. Vanderbilt

Secretary

DIRECTORS MEETING  
December 14, 1965

A meeting was held at the Cedaredge City Hall at 3:15 P.M.

Directors present were: R. P. Sheppard, John Hawkins, R. E. Phillips and V. W. Vanderbilt. Mr. Velut, F.H.A. and Art Cannon also present.

Meeting called to order by R. E. Phillips.

Minutes of meeting held 11-29-1965 read and approved as read.

Bills presented to the board were: ~~Blanche Phillips, \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00~~, John Calhoun \$75.00, Delta-Montrose Power Lines \$8.75 and Delta County Independent \$11.54. Bills were approved after a motion by Sheppard and second by Hawkins.

Mr. Cannon said he planned to get elevations and survey completed on proposed extension during the week of December 19th.

Phillips said he would arrange for a meeting with the Cedaredge Council before January 1, 1966.

Meeting adjourned at 3:30.P.M.

V. W. Vanderbilt

Secretary

DIRECTORS MEETING

January 4, 1966

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were H. G. Burgess, John Hawkins, R. E. Phillips and V. W. Vanderbilt. Joe Hamilton, maintenance man and Art Cannon, engineer were also present.

R. E. Phillips called the meeting to order.

Minutes of the meeting held December 14, 1965 were read, and approved.

The financial report of January 1, 1966 was given and accepted.

Bills presented to the board were: Lela Aust for envelopes \$63.70, Don Whiteside-Compensation insurance \$68.00, Treasurers Bond \$30.00, Internal Revenue Service \$25.37, Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, and Delta-Montrose Power Lines \$3.35. After a motion by Burgess, seconded by Hawkins, bills were approved.

Art Cannon submitted a report to the directors of estimates on 3 separate phases of the proposed improvements: 1. A 25,000 gallon tank installed on top of Cedar Mesa-\$9036.00, 2. A 6600 Gallon tank and parallel line from the box in Hinote's pasture to the first back-pressure valve-\$17,748.00, and 3. A parallel line from the first back-pressure valve to the second back-pressure valve-\$9,287.00. He explained the above estimates did not include any thing for contingencies, engineering, inspection or legal work.

The directors discussed the estimates and projects. Mr. Cannon said that his surveys showed the box in Hinotes to be 45 feet higher than the tank on the hill above Wurzbach's house. At the conclusion of the discussion, the directors asked Mr. Cannon to prepare bid sheets for the separate parts of the 3 proposed improvements. Mr. Cannon said the F.H.A. probably wouldn't have any funds available until July 1, 1966.

Phillips said he would try to get a meeting with a few of the Cedaredge councilmen in hopes of reaching an agreement on price of the pick-up extension and other points needing settled.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt Sec'y.

DIRECTORS MEETING

February 1, 1966

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, R. E. Phillips, R. P. Sheppard, John Hawkins and V. W. Vanderbilt. Joe Hamilton, maintenance man was also present.

Minutes of the meeting held 1-4-1966 were read and approved.

The financial report of February 1, 1966 was read and accepted.

Meeting 2-1-1966 Cont'd.

Bills presented to the board were: Blanche Phillips \$25.00, Joe Hamilton-maintenance \$108.18 and machine hire \$189.95, V. W. Vanderbilt \$20.00-Secretary Salary and \$27.15 thawing lines, Glenn Bass-welder \$5.00, Roderick Stewart \$7.50, F.H.A. \$3097.10, Delta Montrose Power lines \$3.35, Cedaredge Lumber \$14.76, and Doughtys Steel & Machine \$36.00. After a motion by Burgess and second by Hawkins the bills were approved.

Proposals of settlement with the Town of Cedaredge were discussed, and the directors considered the proposal that the Town would take a payment of 14,000.00 as payment of 1/5 interest in the complete gathering lines and joint line, which would give the association capacity for 75/100 of water, as the best proposal, since this would be the cheapest way of getting the additional capacity, and still satisfy the cost of the Beaver creek extension.

The improvement projects were discussed, and methods of financing also discussed. It was agreed to check the accounts to determine how much was being derived from overage on the present set-up, and to persue further the possibility of completing the process of financing.

Meeting adjourned at 10:00 P.M.

  
Secretary

DIRECTORS MEETING  
May 13, 1966

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, Fred Burritt, R. P. Sheppard, John Hawkins and V. W. Vanderbilt. Joe Hamilton, Maintenance man was also present.

The meeting was called to order by R. E. Phillips.

Minutes of the meeting held 2-1-1966 were read and approved as read.

The financial report of 5-1-1966 was given and accepted.

Bills presented to the board were:(February), Blanche Phillips-\$25., Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00 secretary salary & Postage & envelopes \$1.90, Delta-Montrose Power \$3.35, Cedaredge Lumber \$1.23 and Alfalfa Ditch Co. \$25.00; (March) Blanche Phillips-\$25.00, Joe Hamilton-\$60.00, V. W. Vanderbilt-\$20.00 Phone calls to F.H.A., .74, Delta-Montrose Power \$3.35 and Internal Revenue Service F.I.C.A. tax \$32.79; (April)- Blanche Phillips \$25.00, Joe Hamilton-maintenance \$60.00-Backhoe \$58.50, V. W. Vanderbilt \$20.00, F.H.A. \$3,097.10, The Delta Montrose Power Lines \$3.35, Cedaredge Lumber Inc. \$49.19 and R. E. Phillips extra tap \$300.00. A motion was made by Sheppard, seconded by Hawkins and carried that the bills be paid.

Phillips reported that he had met with Mr. Dinwiddie of the F.H.A. in Denver, and that he suggested that the Corporation call a stockholders meeting as soon as possible to see if they would approve the additional loan up to \$65,000. to do the proposed improvements on the system. The secretary was instructed to have photostatic copies of the final judgment and decree, and the agreement with the



Meeting 5-13-1966 cont'd.

Town of Cedaredge made and mailed to the F.H.A. in Denver.

Sheppard moved and Hawkins seconded the motion that the board adopt a resolution authorizing the president and secretary to sign the new supplemental agreement with the Town of Cedaredge. Motion carried.

R. P. Sheppard moved, Fred Burritt seconded and motion carried to have the secretary send out notices to the stockholders as soon as possible, calling a special meeting to ask their approval of a loan not to exceed \$65,000.00 inclusive of \$35,500.00 authorized 4-4-1964, and to increase the monthly minimum by \$1.50 and the amount of water allowed on the minimum by 50%. The motion carried.

The meeting adjourned at 9:30 P.M.

  
Secretary

DIRECTORS MEETING  
June 18, 1966

A meeting of the directors was held at the Cedaredge Town Hall at 10:45 P.M. following the stockholders meeting.

Directors present were: Fred Burritt, R. P. Sheppard, H. G. Burgess, John Hawkins, R. E. Phillips and V. W. Vanderbilt. Richard Jameson of the F. H. A. and Art Cannon engineer were also present.

A motion was made by John Hawkins, seconded by R. P. Sheppard and carried, authorizing the president and secretary to sign application for a total loan from the F.H.A. for \$65,000.00, and to also negotiate with land owners for deeds for tank sites & easements. Motion carried.

A motion was made by Burritt, seconded by Burgess and carried that Morcan Engineering proceed with reports, plans and specifications on proposed improvement projects. Motion carried.

Meeting adjourned at 11:00 P.M.

  
Secretary

DIRECTORS MEETING  
September 7, 1966

A meeting of the directors was held at the Phillips home at 8:30 P.M.

Directors present were: H. G. Burgess, R. E. Phillips, John Hawkins, R. P. Sheppard and V. W. Vanderbilt. Joe Hamilton was also present.

Minutes of the meetings held 5-13-66 and 6-18-66 were read and approved as read.

The financial report of 9-1-1966 was given and accepted.

Bills presented to the board were: May-Blanche Phillips \$25.00, Joe

Meeting 9-7-66 Cont'd.

Hamilton-maintenance \$60.00-Machine Hire \$84.00, V. W. Vanderbilt-Secretary Salary \$20.00-Postage .40-Phone .39, First National Bank-Photo Static copies \$6.50, Eckert Electric \$39.22, Cedaredge Lumber \$161.40, Town of Cedaredge \$82.89, Delta County Independent \$16.63, and Delta-Montrose Power Lines \$3.35; June: Blanche Phillips \$25.00, Delta County \$25.00, V. W. Vanderbilt-Secretary \$20.00, maintenance \$7.86, postage \$1.75, Cedaredge Lumber \$4.59, Joe Hamilton-maintenance \$60.00-back-hoe \$40.50, Delta-Montrose Power \$64.63, Internal Revenue Service \$26.46; July: Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, Delta-Montrose Power \$21.73, F.H.A. \$3097.10, Lela Aust \$63.70; August: Blanche Phillips \$25.00, Joe Hamilton \$60.00, V. W. Vanderbilt-Secretary \$20.00-maintenance \$9.95, Delta-Montrose Power \$9.37, Cedaredge Lumber \$18.30. A motion was made by Sheppard and seconded by Burgess, and carried that the bills be approved.

The matter of the loan application was discussed, and Phillips said he would contact Mr. Jameson what could be done to speed up the action on the loan.

Joe Hamilton said he would like to have permission to install pipes to accommodate pressure gauges on necessary points in order to check pressure, as he felt too much pressure was being maintained at various points. A motion was made by Sheppard, seconded by Hawkins, and carried to have Hamilton install the necessary pipes to accommodate a pressure gauge.

The secretary was asked to notify 2 delinquent members on the need for payment. A motion by Sheppard, Seconded by Burgess And carried that ser- could be cut off the 15th of 2nd. month after delinquency.  
The meeting adjourned at 10:30 P.M.

V. W. Vanderbilt Sec'y.

DIRECTORS MEETING  
October 18, 1966

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, H. G. Burgess, V. W. Vanderbilt

Joe Hamilton, Maintenance man was also present.

Minutes of the meeting held 9-7-66 were read and approved.

The financial report of 10-1-66 was given and accepted.

Bills presented to the board were: Blanche Phillips \$25.00, Joe Hamilton-Maintenance \$90.89 and machine work \$108.00, V. W. Vanderbilt \$20.00, Town of Cedaredge \$8.54, Peterson Plumbing \$1.39, Delta-Montrose Power \$3.35, Cedaredge Lumber \$41.86, and Internal Revenue Service \$27.96. After a motion by Sheppard and second by Burgess the bills were approved.

Phillips said he had negotiated for tank site and right of way with Everett and June Ayers for the sum of the \$200.00 they owed on their membership. The board approved this settlement. Phillips also told the board the F.H.A. planned to complete the loan closing 10-20-66.

The board agreed to the \$10.00 minimum billing to commence 12-1-66.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt, Sec'y.

DIRECTORS MEETING  
12-6-1966

A meeting of the directors was held at the Phillips home at 7:30 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, R. P. Sheppard, John Hawkins & V. W. Vanderbilt. Joe Hamilton, Maintenance man was also present.

Minutes of the meeting held Oct. 18 were read and approved as read.

The financial statement of December 1 was given and accepted.

Bills presented to the directors were: October- F.H.A. \$3097.09, Blanche Phillips \$25.00, V. Vanderbilt \$20.00 Sec'y and phone .67, Delta-Montrose Power \$36.05, Cedaredge Lumber \$3.81, Joe Hamilton \$60.00, Brown-Treasurer bond \$60.00, Delta Savings & Loan-for reserve \$500.00; November Blanche Phillips 25.00, V. W. Vanderbilt Secretary \$20.00, Maintenance \$22.76, Postage \$3.50, Joe Hamilton maintenance \$89.06, Machine \$77.00, Cedaredge Lumber \$2.47, Delta Montrose power \$3.35, Delta County Independent \$13.28, and F.H.A. \$926.00. The bills were approved after a motion by Burgess and second by Hawkins.

Sheppard made a motion, seconded by Hawkins and carried that the interest on the reserve at Delta Savings & Loan be looked into, in order to find the best method of investment interest rates. Phillips said he would do this.

Vanderbilt agreed to find out about investing the balance of money from the F.H.A. loan over the amount needed for pipe to be able to draw interest until needed.

The budget was discussed for the coming year. A motion was made by Burgess that the board accept the budget and present it to the members at the meeting Dec. 13, 1966. Hawkins seconded the motion and it was carried.

Meeting adjourned at 9:30 P.M.

  
Secretary

DIRECTORS MEETING  
February 2, 1967

A meeting of the directors was held at the Cedaredge, City Hall at 7:30 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, John Hawkins and V. W. Vanderbilt.

Minutes of the meetings held 12-6-1966 and 12-13-1966 were read and approved as read.

The financial report of 2-1-1967 was given and accepted.

Bills presented to the directors were: (Operating account) December: Clerks salary \$25.00, Joe Hamilton maintenance \$60.00 and



Meeting 2-2-67 cont'd

Back-hoe \$24.00, V.W. Vanderbilt Secretary \$20.00, Electricity \$3.35, John C. Calhoun \$90.00, F.I.C.A. Tax \$33.41, Cedaredge Lumber \$33.41, and Compensation Insurance \$73.00; bills on F.H.A. supervised account, Joseph F. Anderson-legal & notary on easement \$5.50, V. W. Vanderbilt cash expense paid on easements Phone \$13.57 and \$1.00 to Robert M. Hampton for notary fees.

The Town of Cedaredge had asked if the association would raise on the clerks salary by \$5.00 per month, and the board agreed. The check was to be paid to the Town, and they would pay the clerk with one check, and take care of the F.I.C.A. tax.

January bills on the operating account: Town of Cedaredge \$30.00, Secretary salary \$20.00-postage and certified letters to delinquent members \$4.00- Rubber stamp ink .46, Joe Hamilton maintenance \$60.00-back-hoe \$27.00, Delta-Montrose Power \$3.35, Cedaredge Lumber \$4.21, and L. E. Kyle Agency-Liability Insurance \$68.00, F.H.A. quarterly payment \$

January bills on the F.H.A. supervised account: Joe Hamilton-Unloading pipe \$84.78, Town of Cedaredge-Pipe \$16,664.80, Darrel, Harry & Ila Geyer-deed to tank site \$200.00 and A. Allen Brown-legal on right of way easements , loan closing and deeds-\$172.53. Payment of the December and January bills listed above was approved by the board.

The secretary showed letters drawn up by Mr. Brown to the 3 delinquent members whose membership was to be sold to highest bidders March 10, 1967 at 2:00 P.M. at the Cedaredge City Hall.

The secretary also reported that \$32,000.00 had been put on time deposit with the First National Bank of Cedaredge, from the F.H.A. supervised account to draw interest until needed for construction.

The meeting adjourned at 8:00 P.M.

V. W. Vanderbilt Secretary

DIRECTORS MEETING WITH CEDAREEDGE COUNCIL  
February 2, 1967

A meeting was held at the Cedaredge City Hall at 8:00 P.M. Board members present from the Upper Surface Creek Domestic Water Users Association were: R.E. PHILLIPS, H. G. Burgess, John Hawkins and V. W. Vanderbilt. Cedaredge Councilmen present were: Ed Marah, Bill Van Buskirk, George Bowness, Lloyd Anderson, N.E. Toothaker, and Charles Hughes. Marie Wetterich, clerk, was also present.

R. E. Phillips was asked to conduct the meeting. Phillips stated the meeting was called to discuss the problem of chlorination, as required by the State Department of Health. He explained that the specifications of the association's improvement project had to include a chlorinator that was approved by the State before the F.H. A. would release the funds, and since it appeared evident that that the City would soon be faced with the problem, would the City be willing to share a common chlorinator for the joint system 1/5 & 4/5 according to the agreement on the system.

The City Council agreed to devote time and study to various systems already installed, and to learn more about their status on the problem and give an answer as soon as possible. Meeting adj. at 9:00 P.M.

V. W. Vanderbilt, Secy.

DIRECTORS MEETING

April 4, 1967

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, R. P. Sheppard, Floyd McPherson, John Hawkins and V. W. Vanderbilt.

Minutes of meetings held February 2, 1967 were read and approved.

The financial report of April 1, 1967 was given and accepted.

Bills presented to the board were: February- Town of Cedaredge \$30.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, Delta-Montrose Power Lines \$3.35, Lela Aust-envelopes \$63.70, (March)-Town of Cedaredge \$30.00, Joe Hamilton \$60.00, V. W. Vanderbilt \$20.00, Shilrey-Savoy Hotel \$12.92, Delta Montrose Power \$3.35, Cedaredge Lumber \$7.72, Internal Revenue Service \$21.12 and Alfalfa Ditch Co. \$25.00. The bills were approved by the directors after a motion by Burgess and second by McPherson.

Phillips reported that he and McPherson had made the trip to Denver with other water system officials and Allen Brown to attend Senate Meetings on bills regarding alternate points of diversion, and that it had proved very interesting. He said that he hoped it had done some good, and felt that it would be advisable to return to Denver later when it was coming up.

Water for filling sprayers was discussed by the directors. A motion was made by John Hawkins, seconded by R. P. Sheppard and approved by the board, that a member, with approval of the board, pay cost of installation according to specifications of fire outlets on the line, and to be permitted to use same for filling sprayers and pay for water by adding gallonage used to regular water meter readings.

H. G. Burgess, Phillips, McPherson all asked permission to install outlets, and were granted permission, subject to regulations stated in the motion.

Phillips reported that Mr. Troop had commenced digging on the new project.

The meeting adjourned at 10:00 P.M.



Secretary.

DIRECTORS MEETING

May 2, 1967

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: John Hawkins, Floyd McPherson, R. P. Sheppard, R. E. Phillips, H. G. Burgess and V. W. Vanderbilt. Earl Troop, O. B. Kelley and Joe Hamilton were also present at the meeting.

Minutes of the meeting held 4-4-1967 were read and approved as read.

The financial report of 5-1-1967 was given and accepted.

Bills presented to the board were: Town of Cedaredge-Billing and collecting \$30.00-service clamp and stop \$9.85, Joe Hamilton \$60.00, O. B. Kelley \$25.87, V. W. Vanderbilt-secretary \$20.00-phone call \$1.51,



Cedaredge Lumber \$ 96.34, Delta-Montrose Power \$3.35, F.H.A. \$3773.50, Air Freight \$14.91—from the operating account; from the F.H.A. joint account Earl Troop \$8,432.92, A. Allen Brown \$154.85 and Munro Supply \$35.00. After a motion by McPherson and second by Burgess, the board approved the bills.

Bob Phillips reported that he and McPherson had attended the second meeting on the proposed bill on water, that had formerly passed the house, and that the bill had passed the senate 35 to 1.

Floyd McPherson made a motion that Russel Church be sent a certified letter notifying him that his dole would have to be changed within 30 days, so that it would operate free-flow, instead of under pressure. R. P. Sheppard seconded the motion. Motion carried.

O. B. Kelly stated he wanted to get the shed moved from Macfarlane's to Joe Hamiltons, and get all of the supplies in one place. He was given permission to purchase a vice for his maintenance work. Bob Phillips agreed to purchase a pressure gauge for the maintenance man.

Earl Troop reported that the construction was progressing, but that the digging had been pretty hard. He said that Doughty Steel had the small tank completed, and would assemble the big tank at the site.

Meeting adjourned at 9:45 P.M.

  
Secretary

#### DIRECTORS MEETING

June 6, 1967

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, John Hawkins, R. P. Sheppard, Floyd McPherson and V. W. Vanderbilt. Earl Troop—contractor, O. B. Kelley—maintenance, Harold Smith of Morcan Engineering and Francis Neill were also present.

Phillips called the meeting to order. Minutes of the meeting held May 2, 1967 were read and approved as read. The financial report of June 1 was given and accepted.

Bills presented to the board were: Southwestern Supply .92, Mesa pipe & Bridge \$113.40, Secretary \$20.00—L.D. Phone 1.47, Postage \$1.10, Palmer & Co. \$5.25, Delta-Montrose Power \$5.58, Orchard City \$21.00, Cedaredge Lumber \$212.80, Town of Cedaredge \$30.00, O. B. Kelley—Maintenance \$266.05—cash supplies \$4.12. After a motion by Burgess and second by Hawkins, the bills were approved.

Francis Neill told the board he had purchased the Luther Reed place, and wondered about the installation of a water tap. The directors informed him that Mr. Reed had paid for a membership, and also Mr. Ingraham, and they had requested to not have the taps installed until they had need for the water, and that the association was to pay up to \$633.60 per tap installation. Mr. Neill said he had some other neighbors that might be interested, and that he would do some inquiring and let the board know his decision later.

John Hawkins said that Harold Paulson was ready to have his second tap installed, and would like to have the line laid across his field



Meeting 6-6-67 Cont'd

so he could get his crop planted, and that there was another tap to come on to the same line. Harold Smith was asked to arrange to get the line staked out.

Harold Smith gave the board the figures on Mr. Troop's contract showing that the extra work and materials less costs not allowed due to less footage in the line than the estimate, left a balance of \$392.00 due Mr. Troop over the contract price. R. P. Sheppard asked about the figure of \$600.00 for Disconnection, clean, repair & adjust and install in new location the master meter, since a new meter was obtained from the Town of Cedaredge which would fit the connections supplied, avoiding delay of ordering connections to fit the meter owned by the association, which was a 3" meter, and the new one 4".

Mr. Troop agreed to pay the Town of Cedaredge for the new meter, and in exchange take the meter formerly to be repaired, cleaned and adjusted, and to settle for the figure of \$392.00 overage for the other extra work. This was agreeable to the board.

Floyd McPherson moved the board authorize Mr. Kelley to hire Joe Hamilton at \$2.00 per hour, and get supplies needed to fix valve pits, regulators and other repairs needed to put the system up in shape, and to get tool shed and supplies moved, as soon as he moved to his new location on the Locke place. John Hawkins seconded the motion. Motion carried.

Bob Phillips said he would enter publication in the Delta County Independent June 8, 15, & 22, advertising final payment July 6, 1967 to Earl Troop.

Meeting adjourned at 11:00 P.M.



Secretary

DIRECTORS MEETING

July 6, 1967

A meeting of the directors was held at the Phillips home at 8:00 P.M. Directors present were: R. E. Phillips, R. P. Sheppard, H. G. Burgess, Floyd McPherson, John Hawkins and V. W. Vanderbilt. Joe Hamilton, C. A. Cannon-Engineer and Earl Troop-Contractor were also present.

Minutes of the meeting held June 6, 1967 were read and approved as read. The financial report of July 1 was given and accepted.

Bills presented to the board were: Operating account-Town of Cedaredge \$30.00, O. B. Kelley \$226.32, Ralph Thompson \$12.00, John Hawkins \$28.00, R. P. Sheppard 16 hours, V. W. Vanderbilt \$20.00, Colorado Western Distributing Co. \$265.30, Mahannah Lumber \$81.98, U. S. Treasurer \$41.53, Cedaredge Lumber \$190.19 & Phillips Auto & Implement \$13.78-(F.H.A. Joint Account) Delta County Independent \$9.66 and Earl Troop \$1651.20. Mr. Troop said he had not cleared the claims filed on right of way easements, and it would be alright to hold his payment until he had done so. Floyd McPherson moved the bills be paid except Mr. Troop's be held until claims were settled. H. G. Burgess seconded the motion, and the board approved. R. P. Sheppard said to hold his time, as he would take it in overage on water, and could probably use some of the odds of plastic pipe the



company had left over from Redlands Mesa project. Ralph Thompson and John Hawkins's time were to be credited to their water bill.

C. A. Cannon reported that Doughty had the 10,000 gallon tank completed at the upper intake, and that he had the 50,000 gallon tank on Cedar Mesa intact, and would have 2 or 3 days of welding left and 2 or 3 days to sandblast and paint. The paint would have to dry at least a week before it could be put in use.

Mr. Kelley had felt it necessary to resign from the maintenance due to ill health, so it was necessary to get a replacement. Joe Hamilton was contacted, and he said he would take it on the \$60.00 minimum and the rate of \$2.00 per hour and .07¢ per mile if it exceed the minimum. McPherson moved Hamilton be hired on this basis. Hawkins seconded the motion and it was carried.

Installing new taps was discussed, along with membership fees. H. G. Burgess made a motion that the membership fee remain at \$300.00, and that purchasers of new taps pay all cost of lines and installations except that the association furnish meter pit, meters or doles, and all connectors and appurtinences in the meter pit. Floyd McPherson seconded the motion and it was carried unanimously.

Meeting adjourned at 10:30 P.M.

  
Secretary

DIRECTORS MEETING  
August 8, 1967

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: John Hawkins, H. G. Burgess, Floyd McPherson, R. E. Phillips and V. W. Vanderbilt. Joe Hamilton, maintenance man, Melvin Doughty, contractor, Art Cannon-Engineer, Chuck Decker-F.H.A. Engineer, & Walter Waldo-F.H.A. Supervisor were also present.

Minutes of the meeting held 7-6-1967 were read and approved as read.

The financial report of 8-1-1967 was given and accepted.

Bills presented to the directors were: Cedaredge Lumber \$3.42, Town of Cedaredge \$30.00, Parkinson Trucking \$4.18, Colorado Western Distributing Co. \$220.75, Delta Implement \$11.33, V. W. Vanderbilt \$20., F.H.A. \$3,521.50 and Joe Hamilton \$121.75. After a motion by Burgess and second by McPherson the bills were approved.

McPherson reported that he had reached an agreement with Nichols on the wheat damage on the Metzger place and they had agreed on an allowance of 30 bushel per acre on 3 acres at \$2.00 per cwt. for a total figure of \$108.00. The board accepted the report and agreed to negotiate with Earl Troop to see who was responsible for claim.

Art Cannon read a letter he had written to the Clay Valve Company requesting action on the altitude valve on the tank on Cedar Mesa. He also said he would contact Troop to see about getting it fixed, and that no insulation panel had been put in the chlorinator house and frost proof rings were still needed on the pits, which should all be completed before the next board meeting, or he would recomm-

8-8-1967 cont'd.

mend penalty for non-completion.

Floyd McPherson moved that Doughty be paid 90% of his contract, and to hold \$200.00 overtime penalty from the 10% balance to be paid after the 30 day advertising period. John Hawkins seconded the motion and it carried unanimously.

The extra doles on Redlands Mesa were discussed, and John Hawkins made a motion that members having the extra doles who wished them moved to another location for themselves, could do so by paying the \$300.00 membership fee, and would receive up to \$380.00 for installation at the new location. McPherson seconded the motion. Carried.

The meeting adjourned at 10:00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
10-2-1967

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, Fred Burritt, John Hawkins, R. P. Sheppard and V. W. Vanderbilt. Joe Hamilton, maintenance was also present.

Minutes of the meeting held 8-8-1967 were read and approved.

The financial report of 10-1-67 was given and accepted.

Bills presented to the board were: Operating account-August-Town of Cedar-  
edge \$30.00, Joe Hamilton \$71.22, V. W. Vanderbilt-Secretary \$20.00-Post-  
age \$3.50-September-Town of Cedaredge \$30.00, Joe Hamilton \$60.00 and V.  
W. Vanderbilt \$20.00; F.H.A. Supervised account (September) Doughty Steel  
and Machine \$856.84, Delta County Independent \$9.66. After a motion by  
Sheppard and second by Burritt, the bills were approved.

Sheppard moved that Duane Nichols be allowed \$54.00 on water bill for  
wheat damage on right of way, and that Al Metzger be allowed the same  
amount. Hawkins seconded motion and motion was carried.

Meeting adjourned at 10.00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
11-6-1967

A meeting of the directors was held at the Phillips home at 8:00 P.M.  
Directors present were: R. E. Phillips, R. P. Sheppard, Floyd McPherson,  
H. G. Burgess, John Hawkins and V. W. Vanderbilt.

Minutes of the meeting held 10-2-1967 were read and approved as read.

The financial report of 11-1-1967 was given and accepted.

Bills presented to the board were: (Operating account) Town of Cedar-  
edge \$30.00, Joe Hamilton \$60.00, V. W. Vanderbilt 20.00, Cedaredge  
Lumber \$52.46 and town of cedaredge for supplies \$13.15. F.H.A.



Meeting 11-6-67 Cont'd.--\$3521.50, Internal Revenue Service \$42.86, & Lela Aust \$63.70-1000 envelopes for billing. (F.H.A. Supervised Account) Town of Cedaredge 1/5 cost of mailing notices on diversion \$45.12 and Delta savings & Loan \$750.00 investment for Reserve. The bills were approved by the board after a motion by McPherson and second by Burgess.

The directors instructed the secretary to have copies of rules, regulations and information for members made to be sent out with the December first billing.

The meeting adjourned at 10:00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
12-4-1967

A Directors meeting was held at the Phillips home at 8:00 P.M. Directors present were: R. E. Phillips, R. P. Sheppard, Floyd McPherson, John Hawkins, H. G. Burgess and V. W. Vanderbilt. Joe Hamilton was also present.

Minutes of the meeting held 11-6-67 were read and approved as read.

The financial reports of 12-1-67 were given and accepted.

Bills presented to the board were: (Operating account) Town of Cedaredge \$30.00, Don Whiteside (Bond) \$100.00, Delta County Independent \$18.00, Joe Hamilton \$60.00, Vanderbilt, Secretary \$20.00 & Maintenance \$9.62, Allen Brown \$7.50, Cedaredge Lumber \$16.48, Comco Foundry \$189.97 and Credit to Hillgardner for Reguator repair \$5.00; (F.H.A. account) Allen brown \$248.89, and Joe Hamilton \$292.50. The bills were approved by board after a motion by Sheppard and second by Hawkins.

The budget for next year was read by the secretary and discussed. A motion was made by Burgess and seconded by McPherson that the budget be presented to the members for approval at the annual meeting. Carried.

The problem of some users needing temporary or seasonal additional service on the line was discussed. After discussion, a motion was made by McPherson and seconded by Sheppard that a member be allowed temporary additional or seasonal service thru his meter or dole, provided he pay an additional monthly minimum for each unit and any overage on his meter or extra doles, along with all cost of installation.

The problem being encountered on the Leonard Hilsen line was discussed. The secretary was asked to send Mr. Hilsen a letter asking him to attend the director's meeting following the members meeting at the Cedaredge Town Hall, December 12, 1967

Meeting adjourned at 10:30 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING

February 12, 1968

A meeting of the board of directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, H. G. Burgess, Floyd McPherson, John Hawkins, Fred Burritt, R. P. Sheppard and V. W. Vanderbilt.

Phillips called the meeting to order. Minutes of the meeting held December 4, 1967 were read and approved as read.

The financial reports of February were given and accepted.

Bills presented to the board were: (December) Town of Cedaredge \$30.00, Joe Hamilton-maintenance \$152.47-machine \$49.50-cash for repair \$1.50, V. W. Vanderbilt Secretary \$20.00-Maintenance \$10.50-postage \$1.00-printing .05, F.I.C.A. Tax \$21.97, Campbell \$7.00, Colorado Springs Supply \$30.52, Cedaredge Lumber \$106.94 and John Calhoun \$100.00; (January) Lela Aust \$9.50, Colorado Western Distributing Co. \$27.25 & \$22.38, Glenn Bass \$80.00, Compensation Insurance \$97.00, town of Cedaredge \$30.00, V. W. Vanderbilt secretary \$20.00-2 months overage \$52.65-postage \$4.16, Joe Hamilton-\$197.95 maintenance-\$143.50 machine, F.H.A. \$3521.50 and Cedaredge Lumber \$95.66. The bills were approved after a motion by Burgess and second by McPherson.

A proposal by Joe Hamilton for a 3 year contract on maintenance was read and discussed by the board. After comparison with the figures allowed on the budget adopted by the stockholders at the annual meeting, it was found to be beyond possible reach of the budget, and would require stockholders approval for signature of the contract and raise in assessments to meet the payment.

Since the present mileage allotment of 07¢ per mile for maintenance was not adequate for the type vehicle and roads traveled on the job, it was agreed to allow up to 15¢ per mile, plus the \$2.00 per hour for maintenance. Floyd McPherson was asked to contact Joe Hamilton and make the proposal, with the understanding that work be done as soon as possible, and authorize Joe to hire a helper on things requiring more than one person.

Since the secretary job was requiring more time than the \$20.00 a month, Floyd McPherson made a motion, seconded by R.P. Sheppard that the secretary be allowed \$1.50 per hour plus 7¢ per mile for special trips on pipeline for overage above the \$20.00 per month minimum, to be active as of the start of the fiscal year. Motion carried.

The matter of temporary extra connections on six members was discussed. It was tabled until more information could be obtained, and more specific interpretations could be made.

The meeting adjourned at 10.00 P.M.

  
Secretary

DIRECTORS MEETING  
5-13-1968

A meeting of the directors was held at the Phillips Home at 8:00 P.M.

Directors present were: H.G. Burgess, Floyd McPherson, R. P. Sheppard, R. A. Phillips, Fred Burritt, John Hawkins and V. W. Vanderbilt.


Phillips called the meeting to order. Minutes of the meeting held February 2, 1968 were read and approved. The financial report 5-1-68 was given and accepted.

Bills presented to the board were: (February)-Town of Cedaredge \$30.00, Cedaredge Lumber \$3.09, Joe Hamilton \$151.00, V. W. Vanderbilt \$28.16, Rol Wellman \$566.67, (March): Town of Cedaredge \$30.00, Alfalfa Ditch Co. \$20.00, V. W. Vanderbilt Secretary \$20.00-Postage .60, Joe Hamilton Maintenance \$60.00-Machine \$25.00, Cedaredge Lumber \$46.65, Internal Revenue Service \$55.68, (April)-Town of Cedaredge Billing \$30.00 and Fittings \$17.35, Meter & Yoke \$29.50, F.H.A (joint Account \$600.29 & Operating Account \$2921.21, Delta Hardware \$8.19, V. W. Vanderbilt, Secretary \$36.22-Cash for Hose \$10.10, Joe Hamilton-Maintenance \$65.20-Machine \$50.00-Less Materials \$68.88, Cedaredge Lumber \$67.39 and Brooks Service \$5.15. The bills were approved by the board after a motion by Burgess and second by Burritt.

The matter of a new maintenance man was discussed, since Joe Hamilton had been too busy with his backhoe to be able to put the pipeline up in shape and to read the meters. After discussing possible prospects, Sheppard made a motion that Floyd McPherson contact W. H. Hazen to see if he would accept the job on a \$60.00 per month guarantee, and rate of \$2.00 per hour and .15¢ per mile for ~~the~~ excess of the minimum guarantee, and that if Mr. Hazen was not interested that Art Glasser be asked to try the maintenance job, and also authorize O. B. Kelley to acquaint the new maintenance man with the line. Hawkins seconded the motion. Motion carried.

The secretary was instructed to invest \$750.00 in the Delta Savings and loan for  $\frac{1}{2}$  of the current year's investment for reserve required by the F.H.A.

The meeting adjourned at 10:00 P.M.

  
Secretary

DIRECTORS MEETING  
8-5-1968

A meeting of the directors was held at the Phillips home at 8:00 P.M. Directors present were H. G. Burgess, R. A. Phillips, John Hawkins and V. W. Vanderbilt.

Phillips called the meeting to order. Minutes of the meeting held May 13, 1968 were read and approved as read. The financial report of 8-1 was given and accepted.

Bills presented to the board were: May-Delta Savings and Loan \$750.00 (Reserve), Town of Cedaredge \$30.00, Secretary \$48.30-postage .60, Cedaredge Lumber \$70.72, Joe Hamilton-Maintenance \$171.70-Machine \$150.50, Colorado Western Distributing \$9.99, Colorado Springs Supply \$279.34,



Meeting 8-5-68 Cont'd.

Cash (2Gauges John Deere) \$6.18 by Sheppard. June- W. H. Hazen \$236.90, Secretary \$29.20-cash for printing .30, Joe Hamilton-machine \$20.00, Town of Cedaredge billing \$30.00-Materials \$153.85, Cedaredge Lumber \$41.34, Colorado Springs Supply \$320.75 and Internal Revenue Service F.I.C.A. Tax \$25.32. July-Lela Aust \$73.70, town of Cedaredge \$30.00, W. H. Hazen \$143.35, Thompson Pipe & Steel \$155.05, Secretary \$22.35-Postage & Supplies \$1.46, Colorado Springs Supply \$185.41, Cedaredge Lumber \$2.92 and F.H.A. \$3521.50. Hawkins moved the bills be paid, seconded by Burgess and carried.

The secretary read a letter from the F.H.A. recommending the \$440.20 balance in the supervised account be applied as an extra payment on the loan. The board agreed and asked the secretary to do so.

The matter of Engineer Art Cannon going over the line in accordance with his letter of December 1967 was discussed, and it was agreed the upper tank should be checked out, but that it would be unwise to do much tampering with the rest of the system as long as it continued to operate trouble-free.

Two delinquent accounts were discussed, and it was agreed they should be cut-off if payment was not made, and the maintenance man be instructed to do so, in accordance with regulations.

The meeting adjourned at 10.00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
12-9-1968

A meeting of the directors was held at the Phillips home at 7:30 P.M.

Directors present were: Robert Phillips, Floyd McPherson, H. G. Burgess and John Hawkins.

Minutes of the meeting held 8-5-1968 were read and approved as read.

The financial report of 12-1-1968 was given and accepted.

Bills presented to the board were: August-Town of Cedaredge \$30.00, W. H. Hazen \$119.31, V. W. Vanderbilt \$20.00, Colorado Springs Supply \$4.82, (September)- F.I.C.A. Tax \$50.74, Town of Cedaredge \$30.00, V. W. Vanderbilt \$20.00, Colorado Springs Supply \$8.57, W. H. Hazen \$60.00, (October)-F.H.A. \$3,521.50, Town of Cedaredge \$30.00, V. W. Vanderbilt \$20.00, W. H. Hazen \$60.00, (November)-Town of Cedaredge \$30.00, V. W. Vanderbilt Secretary \$49.28-Postage .66, W. H. Hazen \$162.05, Whiteside Agency, Bond \$70.00, Joe Hamilton \$48.00 and Delta County Independent \$19.16. The bills were approved by the board after a motion by McPherson, seconded by Burgess.

The accounts receiveable was discussed.

A proposed budget for the coming year was discussed, and Burgess moved the budget be presented to the members at the annual meeting; Hawkins seconded the motion. Carried.

The maintenance problems on Redlands Mesa and doles was discussed. Meeting adjourned at 9:30 P.M.

Acting secretary

*John W. Hawkins*

DIRECTORS MEETING  
3-4-1969

A meeting of the directors was held at the Phillips Home at 8:00 P.M.

Directors present were: R. E. Phillips, John Hawkins, R. P. Sheppard, Floyd McPherson and V. W. Vanderbilt.

Phillips called the meeting to order. Minutes of the meeting held 12-9-1968 were read, and approved as read.


The financial report of 3-1-1969, balance of \$1732.51, was given and accepted.

Bills presented to the directors were: (December) Town of Cedaredge \$30.00, Cedaredge Lumber Inc. \$53.00, Colorado Western Distributing \$39.33, John C. Calhoun \$100.00, W. H. Hazen maintenance \$153.22-Cash for freight and pipe cement \$3.21, V. W. Vanderbilt secretary \$57.75-Cash Postage \$2.00-Filing box & supplies \$3.90, Compensation Insurance \$77.00, Colorado Springs Supply Co. \$71.64, Cedaredge Supply Co. \$12.84, Colorado Western Distributing Co. \$6.16, and Joe Hamilton \$60.00, (January) Town of Cedaredge \$30.00, W. H. Hazen \$76.65, V. W. Vanderbilt \$20.00, F.H.A. \$3521.50, Colorado Springs Supply Co. \$84.37 and Harold Bond \$6.50, (February) W. H. Hazen \$171.98, Town of Cedaredge \$30.00, V. W. Vanderbilt-Secretary \$20., L.D. Phone \$2.83, Brown & Brown \$38.75, Delta Implement \$4.27, Hotchkiss Plumbing \$1.24, American Standard \$99.81, Cedaredge Supply Co. \$2.99, and Billing envelopes \$73.70. A motion was made by R. P. Sheppard, seconded by John Hawkins and carried approving the bills.

Delinquent accounts were reviewed, and none presently receiving water were needing any action.

Prices and literature on a sand master filter had been obtained from Colorado Western Distributing Co. by Sheppard. They were studied by the directors, and Sheppard was authorized to obtain a 2 inch filter and necessary valve and connections to install it ahead of the first dose valve.

The meeting adjourned at 10:00 P.M.



Secretary

DIRECTORS MEETING  
April 28, 1969

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, H. G. Burgess, Floyd McPherson, John Hawkins and V. W. Vanderbilt. W. H. Hazen was also present.

Minutes of the meeting held 3-4-1969 were read and approved as read.

The financial report of 4-28-69 was given and accepted.

Bills presented were: (March) Joe Hamilton \$124.00 less pipe sold to Art Glasser \$14.40, Brooks Service \$2.06, Internal Revenue Service \$49.74, V. W. Vanderbilt-Secretary \$27.35-Postage \$2.00-L.D. Phone \$1.13, Alfalfa Ditch \$20.00, W. H. Hazen \$57.12, Town of Cedaredge \$30.00, Check book \$4.51, Colorado Springs Supply \$12.56, Mesa Pipe & Bridge \$63.95 and Colorado Western Distributing \$32.29; (April bills) Town of Cedar-

Meeting 4-28-69 Cont'd.  
edge \$30.00, V. W. Vanderbilt \$20.00, W. H. Hazen \$315.83, Hotchkiss  
Plumbing \$1.05, Colorado Springs Supply \$83.03, F. H. A. \$3521.50, and  
Independent Lumber \$1.55. The bills were approved by the board after  
a motion by Hawkins and second by McPherson.

The Leland moore line was discussed. Sheppard moved that new PVC Pipe  
be installed on the section that keeps breaking. Burgess seconded the  
motion. Motion carried. Hazen agreed to patch the leak for present  
and leave the trench open until permanent repair could be made.

Mr. Hazen told the board he was quitting the maintenance job as of May  
1, 1969.

The maintenance job was discussed by the board, and since no one knew  
of any who was definitely interested, it was decided no action could  
be taken until more study could be given to the matter. McPherson  
agreed to help on maintenance calls for the present and Hawkins agreed  
to help on Redlands Mesa calls.

The meeting adjourned at 10:00 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
5-12-1969

A meeting of the directors was held at the Cedaredge City Hall at 8:00  
P.M.

Directors present were: John Hawkins, R. E. Phillips, Floyd McPherson,  
R. P. Sheppard and V. W. Vanderbilt. R. E. Marah and Lloyd Anderson  
of the Town of Cedaredge were also present.

The maintenance problem was discussed, and Marah and Anderson were ask-  
ed if they were in a position to consider maintenance of the Upper Sur-  
face Creek System along with the Cedaredge System.

Ed Marah said he and Lloyd Anderson had discussed the matter, and Lloyd  
was willing to try it for a while to see if it would work out. The rate  
of \$2.00 per hour and .15¢ per mile was a satisfactory basis of pay.  
It was agreeable with the Upper Surface Creek Directors, and they gave  
Lloyd permission to proceed.

Since there had been many changes of taps and the old maps needed up-  
dating, the directors pencilled the changes on the old maps, and the  
secretary was instructed to take them to Morcan Engineering and have  
10 new maps each of the Redlands Mesa and Upper Surface Creek Systems  
made.

Ed Marah said that Marie Wetterich, clerk for both Cedaredge and the  
Upper Surface Creek System had submitted her resignation, and that  
someone was going to have to be found to fill the vacancy.

The meeting adjourned at 10:00 P.M.

*V. W. Vanderbilt*

Secretary



DIRECTORS MEETING  
7-21-1969

A directors meeting was held at the Phillips home at 8:00 P.M.

Directors present were: R. E. Phillips, Fred Burritt, John Hawkins, R. P. Sheppard and V. W. Vanderbilt. Lloyd Anderson, Maintenance man was also present.

Minutes of the meeting held May 12, 1969 were read and approved.

The financial report of 7-1-1969 was given and accepted .

Bills presented to the board were: (May) Town of Cedaredge \$30.00, Morcan Engineering \$65.08, Joe Hamilton \$95.00, V. W. Vanderbilt-Secretary \$43.89-Postage .65, Lloyd Anderson \$161.70, Colorado Springs Supply \$333.97, Cedaredge Supply Co. \$12.04, Joe Hamilton \$59.70, W. H. Hazen \$5.52 and Colorado Western Distributing Co. \$65.38; (June) F.I.C.A. Tax \$62.66, Town of Cedaredge \$30.00, Lloyd Anderson \$178.93, V. W. Vanderbilt \$28.38, Cedaredge Supply Company \$11.87, Phillips Auto and Implement \$3.50, Joe Hamilton \$64.00 and Delta Savings and Loan, 1/2 1969 investment for reserve \$750.00.

R. P. Sheppard moved the bills be paid, seconded by Burritt, and carried.

Mr. Hilsen's line was discussed. R. P. Sheppard moved that Mr. Brown be asked to draft a letter to Mr. Hilsen on the circumstances of the set-up regarding the installation of his line by Ray Coffey, and the Responsibility concerning the line. John Hawkins seconded motion and it was carried . Bob Phillips agreed to contact Mr. Brown.

John Hawkins and Lloyd Anderson reported they were getting some of the Redlands doles raised and stabilized, and that the system was operating better since replacing some of the doles with the proper size.

The meeting adjourned at 10:00 P.M.

V. W. Vanderbilt Sec'y.

DIRECTORS MEETING  
IN JOINT  
WITH CEDAREEDGE CITY COUNCIL  
9-25-1969


A meeting was held at the City Hall at 8:00 P.M.

Directors present were: R. E. Phillips, John Hawkins, R. P. Sheppard and V. W. Vanderbilt. City Councilmen present were: Ed Marah, George Bowness, Charles Hughes, Roulin Anderson, H. E. Toothaker, George Stafford, and Marian Mitchell-City Clerk.

Ed Marah called the meeting to order, stating the meeting had been called to review the 7 application for the maintenance man for the pipelines. After reading and discussing the applications, it was agreed in favor of the two younger applicants, Robert Wilkerson and Vern Frost. Charles Hughes moved that Ed Marah contact Wilkerson and Frost for an interview. George Bowness seconded the motion and it was carried. The matter of insurance was discussed for city drivers, and Marah said he would check with the insurance company to see if a raise in premiums would result if a man younger than 25 was hired, since Frost was only 21, and if it resulted in a substantial raise, the younger man could not be considered.

Joint meeting 9-25-69 Continued:

It was agreed to start the maintenance man at \$400.00 per month, plus fee for any ambulance calls after hours or on Sundays, with 2 weeks vacation after end of first year, and increase in pay after 6 months if work was satisfactory. Meeting adjourned at 10:00 P.M.

  
Secretary

DIRECTORS MEETING  
( 9-25-1969 )

A meeting of the directors was held at the Cedaredge City Hall at 10:00 P.M. following the meeting with the council.

Directors present were: R. E. Phillips, R. P. Sheppard, John Hawkins and V. W. Vanderbilt. The meeting was called to order by R. E. Phillips.

Minutes of the meeting held 7-21-1969 were read and approved as read.

The financial report of 9-1-69 was given and accepted.

Bills presented to the board were: (July) Bob Campbell \$5.62, Delta Savings & Loan (Balance 1969 Reserve) \$750.00, Secretary \$37.08, Check valve \$3.00, F.H.A. \$3521.50, Town of Cedaredge \$30.00, Delta Hardware \$22.13, Lloyd Anderson \$284.41, Delta Implement \$23.43, Cedaredge supply \$39.31, Joe Hamilton \$214.00, and Colorado Western Distributing \$32.77, (August) Bob Campbell \$7.15, Town of Cedaredge \$30.00, secretary \$26.38, Postage \$2.60, Lloyd Anderson \$142.28, Don Kasinger \$8.75, Tamco \$18.00, Cedaredge Supply Co. \$12.64, Colorado Springs Supply Co. \$386.54, Tamco Machine \$24.00, Hilda Anderson \$11.19, (September Bills) Bob Campbell \$16.90, John Hawkins \$190.40, Town of Cedaredge \$30.00, Secretary \$30.25, Office supplies .36, M.I.C.A. tax \$90.53 and Joe Hamilton \$47.95. The bills were approved after a motion by Hawkins, seconded by Sheppard.

The meeting adjourned at 10:30 P.M.

  
Secretary.

DIRECTORS MEETING  
11-12-1969

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were R. E. Phillips, H. G. Burgess, John Hawkins, Floyd McPherson, R. P. Sheppard and V. W. Vanderbilt.

Minutes of the meeting held 9-25-1969 were read and approved as read.

The financial report of 11-1-1969 was given and accepted.

Bills presented to the board were: R. P. Sheppard \$10.00, O. B. Kelley \$20.00, Lela Aust-envelopes \$73.70, Town of Cedaredge \$30.00, Wheeling Corrugating Co. \$146.13, Secretary \$29.36, Delta Implement \$7.98, Colorado Springs Supply \$250.28, F.H.A. \$3521.50, Joe Hamilton \$28.00, Cedaredge Supply \$5.19 and Delta County Independent \$1.74. The bills were approved by the board after a motion by Hawkins and seconded by McPherson.



Meeting 11-12-69 cont'd.

A proposal of a new line to run West from the Southwest corner of the Lloyd Mahannah property approximately 1,100 feet for 3 new taps was discussed.

The policy of the association on new taps has been that the cost of meter pit, meter, pit cover, regulator and connections in the meter pit be borne by the association, and the new member bear the rest of the cost.

The directors discussed the possibilities of future expansion on this project, and since it could serve both sides of a county road not already served by a pipeline, it was agreed that the full \$900.00 to be derived from the 3 tap fees could be used to aid in the total cost of construction of the project, including right of way easements, legal fees, surveys, road crossings, materials and labor. The line to be installed on private property covered by right of way easements to the association, of 2" galvanized pipe at a depth of 36" with construction approved by the Association, to be owned and maintained by the Association up to the individual takeoffs from the meter pits. The monthly minimum charge to begin the month after completion of the project.

Bob Phillips agreed to contact Marah on supervision of construction.

The secretary was instructed to type up letters stating the agreed details regarding the proposal of the directors.

The next meeting date was set for Tuesday December 2, to precede the Annual members meeting December 9, 1969.

The meeting adjourned at 10:30 P.M.

*V. W. Vanderbilt*

Secretary

DIRECTORS MEETING  
12-2-1969

A meeting of the directors was held at the Phillips home at 8:00 P.M.

Directors present were: H. G. Burgess, R. E. Phillips, Floyd McPherson, John Hawkins, R. P. Sheppard and V. W. Vanderbilt.

Phillips called the meeting to order.

Minutes of the meeting held 11-12-1969 were read and approved as read.

The financial report of 12-1-1969 was given and accepted. The proposed budget was to be presented at annual meeting after motion by McPherson. Bills presented to the board were: (November) Delta County Independent \$1.98, Town of Cedaredge-Billing \$30.00 (Oct. Maintenance) 1/2 Mo. \$80.00- November maintenance \$160.00, Nov. Secretary Salary \$69.29 and Treasurer Bond \$70.00. The bills were approved by the board after a motion by McPherson, seconded by Burgess.

The three prospective tap owners discussed in the meeting of 11-12-69 have decided to put in their line in themselves, and the secretary was instructed to have Allen Brown draft an agreement between the tap owners and the association, regarding each ones rights and responsibilities. The directors unanimously resolved to adopt the contract and agreement. The meeting adjourned at 9:30 P.M.

*V. W. Vanderbilt*

Secretary

*second by Burgess and carried.*



UPPER SURFACE CREEK DOMESTIC WATER USERS BOARD OF DIRECTORS  
MEETING, MAY 25, 1970, 8 P.M.

The meeting held at the Bob Phillips' home was called to order by President Bob Phillips.

Board members present: Phillips, Burgess, McPherson, Sheppard, Burritt and Hawkins.

In the absence of a secretary, the chair appointed John Hawkins to act as secretary to take minutes of the meeting. Reading of minutes and presentation of bills and financial statement were omitted since the records were not present.

Chairman Phillips announced that because of the untimely death of director Vernon Vanderbilt that a replacement for him would have to be made, both for a director from the Upper Surface Creek district and for Secretary-Treasurer. After considerable discussion, Floyd McPherson was appointed to contact Mack Gorrod to see if he would be available. Discussion then shifted to secretary-treasurer. All the board, except Hawkins, expressed the feeling that John Hawkins should be made secretary-treasurer. Hawkins stated that he did not want the job but after considerable discussion agreed to take it on a temporary basis until something better could be worked out.

Phillips suggested that a letter should be written to Mrs. Esther Vanderbilt expressing the Association's appreciation for Vernon's long and devoted effort and for his unquestionable contribution to the success of the company. Phillips will write the letter.

Hawkins stated that he had a request from Earl Baxter for a cost estimate for a proposed installation of a pipe line and tap to their lower farm on Redlands Mesa. Hawkins explained that a large portion of this line would, in the not too distant future, very likely become a part of a new company main line lateral and that this portion should be oversized. The question was: How much of the cost should Baxter bear? It was decided that they should pay only the cost of 3/4 inch pipe and all installation costs.

Hawkins then stated that he had an informal request for a tap and water service from Earth House, Inc., a non-profit corporation doing business in educational and architectural research at a new center to be built on Redlands Mesa. There being no rate policy established for this sort of thing, discussion was in order. Feeling seemed to be that one membership, with the regular minimum and overage rate, would suffice. However, no formal action was taken pending more information from the corporation.

There was some discussion on requests for service for a proposed housing development on Cedar Mesa, but it was decided that another meeting would be called soon to take care of this matter. There was discussion of general problems and condition of pipeline.

Meeting adjourned at 9:45 p.m.

*John Hawkins*  
John Hawkins, Acting Sec.

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER  
USERS ASSOCIATION, MEETING OF JUNE 1, 1970

The meeting was called to order at the Bob Phillips home at 8:00 p.m. Board members present: Phillips, Burgess, McPherson, Sheppard and Hawkins. Visitors present: Buckley Peterson and Ray Bingham.

Minutes of last meeting, held May 25, were read and approved. Financial statement read and approved.

Known unpaid and due bills were: Town of Cedaredge, Maintenance, \$160.00; Billing and collecting, \$30.00. Vernon Vanderbilt, Sec.-Treas., \$20.00; Envelopes and postage, \$73.70. Total, \$283.70. Motion by McPherson, second by Burgess that the bills be approved for payment. Carried. Motion by Burgess, second by McPherson that all bills that were paid by the late secretary, Vernon Vanderbilt, but not yet approved by the board of directors, be approved. Carried.

Peterson and Bingham presented the Board with brochures and plans for development of Lone Pine Estates. They said their plans called for a housing development of up to 20 houses and requested water service from the Association. They said they would purchase a tap for each dwelling and pay all installation costs in compliance with policy established by the company. After considerable discussion it was decided by the Board that because of the location of the development in relation to the pipe line and storage tank it would not cause a drain on the system. It was moved by Sheppard, seconded by Burgess to accept the proposal subject to engineers' okay. Motion carried. Phillips will talk to engineer Art Cannon.

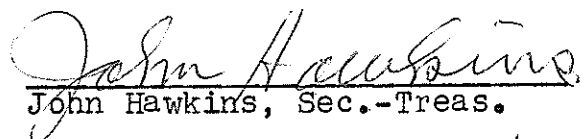
Phillips stated that Carl Coon had expressed a desire to meet with the Board to discuss his proposed housing development on Cedar Mesa. Since he is out of town he was unable to attend this meeting. There was some discussion, but no action, pending a later meeting with Mr. Coon.

There was discussion of a new board member to fill vacancy. Two or three possibilities were suggested. Moved by McPherson, second by Burgess, that Phillips contact the suggested parties and make recommendation at the next meeting. Carried.

Hawkins stated that he had, with the approval of Chairman Phillips, made an agreement with Earth House, Inc., whereby they would purchase one membership and they would be charged a minimum monthly rate of one membership plus one extra minimum at the current rate of \$16 per month. Action approved by the board.

There was some discussion of pressurizing the Redlands line. Phillips will talk with Art Cannon about it.

Meeting adjourned at 10:00 p.m.

  
John Hawkins, Sec.-Treas.

MINUTES OF DIRECTORS' MEETING OF UPPER SURFACE CREEK DOMESTIC WATER  
USERS ASSOCIATION, JUNE 29, 1970.

The meeting was held at the Bob Phillips' home, with the following members present: Phillips, Burgess, McPherson, Sheppard, Hawkins. The meeting was called to order by President Bob Phillips.

Minutes of the board meeting held June 1 were read and approved. The financial report and report of business transacted in June were read and approved. The following bills were presented for approval: Peterson Plumbing, \$1.22; Cedaredge Lumber, \$20.60; Phillips Auto and Implement, \$3.75; Colo. Western Distributing, \$99.63; Town of Cedaredge, maintenance, \$160; billing and collecting, \$30.00; Joe Hamilton, \$58.00; John Hawkins, \$51.17; for a total of \$424.37. Moved by Sheppard, second by Burgess that the bills be approved. Carried.


The subject of a new board member was discussed. McPherson stated he had talked to Mack Gorrod and that he was not interested in serving. It was mentioned that Ed Fischer had volunteered to serve. Bob Phillips will contact him.

Phillips stated that Lampton had asked for a tap at their home on Cedar Mesa. One tap now and possibly another a little later. Meter pit to be placed on main line near county road.

The matter of water shortage on Redlands Mesa during peak use hours was discussed. Phillips presented some information on pump prices, etc. However, it was decided that before any action be taken an engineer should be consulted. Phillips then phoned Art Cannon and made an appointment for him to meet with the board at the Cedar Mesa tank on Thursday, July 2, at 9 a.m. All board members who can should attend.

Phillips stated that the Town of Cedaredge had decided they need Vern Frost full time and had given notice that after June 30 he would no longer be available to us as a maintenance man. Replacement discussion revealed that Joe Hamilton had expressed some interest since he is reported to be disposing of his business. Burgess offered to talk with Joe to see what he had in mind.

Meeting adjourned at 10:00 p.m.

  
\_\_\_\_\_  
John Hawkins, Secretary



MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION, MEETING OF AUGUST 3, 1970

The meeting was held at the Bob Phillips home, and was called to order by Chairman Phillips at 8:30 p.m. Board members present were Phillips, Burgess, McPherson, Sheppard and Hawkins.

The minutes of the June 29 meeting were read and approved. The financial report and a report of business transacted in July were read and approved.

The following bills were presented for approval: Cedaredge Lumber, \$3.50; Colorado Western Distributing Co., \$3.55; Thompson Pipe & Steel, \$81.86; FICA Quarterly Report, \$10.22; FHA dept repayment, \$3521.50; Town of Cedaredge, \$30.00; Intermountain Printing & Stationery Co., \$104.50; Famco of Denver, \$7.50; Wheeling Corrugating, \$168.40; Thompson Pipe & Steel, \$151.49; John Hawkins, Secretary and Maintenance, postage and telephone, \$231.85; total of \$4,314.37. Motion by Sheppard, second by McPherson to approve the bills; carried.

Matter of new board member was brought up. Phillips stated he had talked with Ed Fischer and that he had agreed to serve. Moved by McPherson, seconded by Burgess that Ed Fischer be appointed to serve on the board to fill the vacancy created by the death of Vernon Vanderbilt, the term of office to run until the next annual stockholders meeting. Motion carried and Ed Fischer was duly appointed.

There was considerable discussion about the sudden increase in requests for new taps and their relationship with the system's capacity to supply the demand. Moved by Burgess, seconded by McPherson that the board establish a policy whereby we would accept new memberships on a membership by membership basis and make no guarantee that we will be able to supply water to future large scale building developments or subdivisions. However, it should also be the policy to begin immediate short and long range planning so that the board will be in a position to supply the demand as it arises. Motion carried.

There was discussion about the cost of expansion and the source of revenue for expansion. It was felt that additional revenue could be obtained from the increase in membership fees. Moved by McPherson, seconded by Sheppard that beginning Jan. 1, 1971, the membership fee to be increased to an amount to be decided at a later date. Motion carried.

Hawkins reported that he and McPherson and Sheppard had met with Art Cannon of Morcan Engineering regarding the proposed booster pumps for the Redlands line and had instructed him to proceed with plans and cost estimates for the project. He reported that it had more or less bogged down through the channels of engineer, supplier and factory and that nothing definite had been received. However, preliminary reports indicate that the thing had become more complex and more expensive than we had hoped for. He then reported that after working and studying the system the past month he felt there was a better way to approach the matter than with a pump. He stated that Survalco was wanting to put their line from the Cedare Mesa tank to their Lone Pine Estates and he felt that we should oversize their line and continue it to the Cactus Park line and sever the Cactus Park line from the main line, thus relieving the main

line of a considerable amount of usage in the hope that this would benefit the Redlands line. Some tests were made by Hawkins and McPherson and they indicated that it would benefit the Redlands line by 10 to 15 PST. This met with approval of the other board members and considerable discussion followed regarding design and costs after which it was moved by Sheppard and seconded by Burgess that Hawkins be authorized and instructed to negotiate with Peterson and Bingham for Survalco and try to come up with an agreement as to design and cost sharing. Motion carried.

Subject of maintenance man was brought up. Phillips asked Hawkins if he could continue to work at it as he had the past month. Hawkins answered that he could if the board wished until something more permanent could be arranged or until other interests required too much of his time.

Meeting adjourned at 11:00 p.m.

  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER  
USERS ASSOCIATION, MEETING OF SEPTEMBER 9, 1970

The meeting was held at the home of Bob Phillips, and was called to order by President Phillips at 8 p.m. Members present were: Phillips, Burgess, McPherson, Fischer, Sheppard and Hawkins. Visitors present were Ray Bingham and Buckley Peterson of Survalco Co., Cedaredge, and Mrs. John Hawkins.

Minutes of previous meeting (Aug. 3) were read and approved as read.

The Secretary presented the financial statement. Burgess moved that outstanding bills be allowed as follows: Town of Cedaredge, August billing and collecting, \$30.00; Cedaredge Lumber Co., supplies, \$7.87; John Hawkins, August Secretary and Maintenance, mileage, postage and phone, \$252.62; for a total of \$290.49. Second by McPherson; carried.

Unfinished business: Peterson and Bingham presented their Lone Pine Estates Subdivision Plan, located on Cedar Mesa. Hawkins reported on meeting with Peterson and Bingham on Aug. 7 at his home, with Board members Burritt and McPherson in attendance. Hawkins reported that he had investigated the possibilities of moving the big storage tank on Cedar Mesa in order to better serve the upper portion of Lone Pine Estates. He said that Doughty Steel Co. had estimated a minimum cost of \$3,500 for moving the tank, and that Doughty had discouraged moving it because of possibilities of damaging the tank. Hawkins stated that Phillips had instructed him to contact Alan McDermith, an independent engineer, for an outside opinion on the matter. Hawkins met with McDermith Aug. 18 on Cedar Mesa to look the situation over, and McDermith also discouraged moving the tank. McDermith had also suggested the possibility of going up to the regulator below Lloyd Mahannah's and east to the top of Cedar Mesa to a future tank site, then south to Lone Pine Estate and looping into our main line. There was discussion on these two plans.

Hawkins reported that he had met Sept. 9 (the day of the board meeting) with Peterson and Bingham at Lone Pine Estates, and that they had told him they were okay for this winter concerning water supply, but must

plan for next spring's heavy water use. Bingham said the Estates were selling lots to people with the understanding that there would be adequate pressure except for during these peak periods of heavy water use.

It was brought out that whatever plan is devised, it should not diminish pressure in the Redlands Mesa line.

Hawkins asked Survalco that if the Association would expand above the Estates next spring, what would be Survalco's participation. Bingham answered that it would be to the extent of what it would cost them on that upper system (cistern, etc.). Phillips suggested that the Association get the Estates' plan examined and approved by the engineer, and asked Survalco if there would be any of this new line on county road where it might be widened. Bingham replied that he had consulted with County Commissioner Earl Troop on this, and said that the lines would be within the 50-ft. right-of-way. He said permanent pins are located on property corners and that they would make installation within 3 feet of these. He said that Troop had forbid any line to be in the road. Hawkins asked if Survalco would make the Board a firm offer so that they could act on it, subject to engineer's and attorney's approval.

Peterson and Bingham then presented the plan that had been worked out with Hawkins. The plan would be to install a new 4" line from the Cedar Mesa tank north to near the north end of Lone Pine Estates and east and south across Lone Pine Estates and tie into the present Cactus Park line, containing approximately 3,000 ft. Of this main line Survalco had planned 2,248 ft. of pipe for their subdivision including 1,286 ft. of 2½"; 685 ft. of 2" and 277 ft. of 1½". Survalco will stand the cost of these sizes of pipe and the cost of trenching, laying and backfilling. The Association will stand the cost of oversizing this portion to 4 inches and will stand all the cost of continuing the 4" line to the Cactus Park line. Survalco will do the trenching, pipe lay and backfilling to company specifications for 75¢ per foot. It is agreed that this plan will provide satisfactory service this winter and is acceptable by Survalco provided some sort of provision is made by the early summer of 1971 to provide some sort of storage at the upper end of Lone Pine Estates or complete the loop to the north and west to Mahannah's corner so that they could be assured of service during the peak use months.

It was moved by Burgess, seconded by McPherson that the Board President and Secretary be empowered to act on behalf of the Board to accept this plan as offered by Lone Pine Estates, and for Lone Pine to arrange for easements. Motion carried. Bingham and Peterson left.

Hawkins presented a letter from a Mr. Charles Campen of Denver, who is a prospective new member who wants a tap in the upper Surface Creek area. The group consulted their map. Sheppard said that O.B. Kelly was considering buying an additional tap or taps in this area, and Sheppard was instructed to discuss this with Mr. Kelly. The Board decided that considering this line, Campen would pay for the ¾" pipe, trenching, laying and backfill, and the Association would pay for any oversizing of the line if one is put in. Hawkins was instructed to so inform Campen.

The cost of tap fees was discussed. A motion was made by Sheppard, second by McPherson, that the price of a membership in the association be raised to a \$1,000 minimum as of January 1, 1971, and that the user be responsible for all cost of installation with exception of meter pit, its contents and service connection to main line. The Association will bear cost of these. Full cash payment must accompany tap purchase



at time of purchase. Motion carried.

Sheppard brought up the fact that Calvin Hamilton had bought a tap from Cedaredge for \$500, located 8 miles above town, for his cow camp, and noted that the company has not received its 25% share of this tap fee from the Town of Cedaredge. There was some discussion on the 8 taps on this company-owned line that are serving Cedaredge water users.

Hawkins presented some of the problems occurring in maintenance of the line, including the fact that it appears that the diaphragms in the pressure regulators are all going bad. He reported that the Foster tap on Cedar Mesa was found to be running 20 gallons a minute, with water coming out of the house, the house having been left vacant without the water having been shut off. Fischer suggested that the Secretary advise new users to vent their water heater relief valves in their house in case a pressure regulator fails. Hawkins also reported that several meters are not working. He then reported on the cost of a booster pump for the Redlands Mesa line, which he had been instructed to investigate. The cost would be between \$800 and \$1,100. The Board decided to discard this proposed plan.

Hawkins reported that Carl Coon is still working on his subdivision plan on Cedar Mesa and had indicated he will want at least one additional tap this fall.

The problem of the Hilsen line was then discussed. Hawkins reported on the situation: He stated that because of the trouble the Company had had in the past with Mr. Hilsen regarding water supply and line maintenance since he has been on the system, the Company has been delivering to him considerably more water than he has been entitled to receive. This was done in an effort to reduce excessive maintenance cost and in an effort to maintain some sort of relationship between Mr. Hilsen and the Company. In the summer of 1969 the Redlands Mesa line witnessed a water shortage which necessitated a more equal distribution of the water than had been practiced. Consequently Mr. Hilsen's supply was reduced from a  $\frac{1}{2}$ " open flow to two  $\frac{3}{4}$  gallon doles which was double the amount he was paying for and entitled to use. One of these doles was immediately punched out with a sharp object of some kind by Hilsen, and the Company immediately replaced it with a new one which remained undamaged. Mr. Hilsen continued to get this amount of water until in June of this year 1970 the Redlands line again witnessed a water shortage, this time more severe than the previous year which caused the Board of Directors to begin making plans for corrective measures. Immediate steps had to be taken to supply water to four users who were completely out of water except for a few hours at night. To avoid using the provisions in the By-Laws empowering the Board to restrict water use to household use <sup>only</sup> in time of shortage, the Company again went through a process of pinching down on over use. Mr. Hilsen's delivery was reduced from two  $\frac{3}{4}$  gallon doles to ~~one~~  $\frac{3}{4}$  gallon dole and one  $\frac{1}{2}$  quart dole, still giving him 50% more than he was entitled to. This was not causing any trouble until August 28 when Mr. Hilsen discovered that this had been done. He telephoned Hawkins demanding an explanation. He began using such foul language and making unreasonable demands and threats against the Company and Hawkins that Hawkins refused to talk to him over the telephone and asked him to come to his house to discuss it, and hung up. A short time later Mr. Hilsen and his son, Robert, did appear at the Hawkins home in such a state of irrational behavior that it was impossible to reason or discuss anything with them. Hawkins urged them to attend a Board meeting to discuss the situation, but they refused. They again made false accusations against Hawkins and the Company. They threatened damage to the Company legally

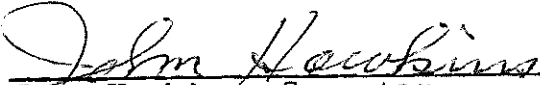
and threatened physical damage to Hawkins if their demands were not met. Their immediate demands were that their entire line would be replaced with a new one or that we would return to the open flow through a  $\frac{1}{4}$  inch dole, and that these demands would be met by the following day or they would return and do physical damage to Hawkins personally, whereby Hawkins ordered them off his property. When they refused to leave, he again ordered them off, and they said that he would have to put them off if he was man enough. At this point Mrs. Hawkins, fearing violence, began calling for the sheriff and the Hilsens did finally leave but not without Robert Hilsen hitting Hawkins in the stomach as they left. Hawkins then called Phillips and related the incident to him. Phillips asked him to go to Hilsens' doles and reduce them to just what they were entitled to, and that he felt that we would have the backing of the Board of Directors. The following day Hawkins and director Burritt went to Hilsen's doles and removed the oversize and replaced with two  $1\frac{1}{2}$  quart doles which is what he is paying for.

Concluding the report, it was brought out by Phillips that the Articles of Incorporation had included this line and the line to Reed and Ingraham properties, but that the latter portion (to Reed and Ingraham's), it has since been decided, would be serviced from a different point on the line, and that a line presently extended to the Morrow residence had been oversized for this purpose. Phillips also stated that if the Hilsen dole valves were to be moved from their present location at the top of the hill, on Burritt property, to the bottom of the hill, on Hilsen property, this would bring about the undesirable effect of pressurizing the line. Phillips reported that he had asked Art Cannon of Morcan Engineering if any right-of-way or easement had been granted to the Company on the Hilsen line, and that Cannon told him none had. Phillips reported that he had consulted the Board's attorney, Allen Brown, and Brown said he would check the records for a blanket filing on the map. Phillips was to check with Brown further on the easement situation. Hawkins reported that the line had not been installed by the contractor, Troop and Burkhardt, but by Ray Coffey, and that it had not been installed to Company specifications and that the line had never been officially accepted by the Company from the contractor.

It was suggested by Burgess and McPherson that if it develops that it is the Company's responsibility to service the line, that the Board should measure the flow and maintain the line, but to leave the dole valves on top of the hill. Sheppard <sup>and developed</sup> ~~suggested~~ that the Board await further information, and then the Board should make an inspection of the line. Second by McPherson; carried.

Sheppard reported that the Welland Jeffers water is reportedly available for purchase, being one foot of No. 1 decree water. Burgess suggested that if this water is available, the Board should buy it. It was suggested that the President look into this matter, looking ahead to future expansion. During this discussion it was brought out that the line capacity is 8 feet; the company's share is 25%.

Motion by Sheppard, second by McPherson, that meeting adjourn.  
Meeting adjourned at 11:15 p.m.

  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, SEPTEMBER 29, 1970.

The meeting was called at the Hilsen dole valves on the John Burritt place at 1:00 p.m.. Board members present: Phillips, Burgess, Sheppard, Fischer and Hawkins. Art Cannon and LeRoy Black from Morcan Engineering were also present. The meeting was called in response to a letter received from attorney Marion D. Sell, representing Mr. Leonard Hilsen, claiming that the Association was not and had not been delivering the amount of water to them that they were entitled to receive and threatening an injunction against the Association and a suit to recover damages claiming to have resulted from said water shortage. Engineers Cannon and Black measured the flow of water through the Hilsen doles several times and found that they were flowing slightly more than 3 quarts per minute. The Hilsens are entitles to receive 3 quarts.

The group then divided with Cannon, Sheppard, Fischer and Hawkins walking the full length of the Hilsen line and Phillips, Burgess and Black driving to the Hilsen home where the group rejoined and were also joined by director Fred Burritt and by Mr. Leonard Hilsen. Mr. Hilsen led the group to a stand pipe in his yard which he claimed was running all the water he was getting. The engineers measured this water and found that it was running  $1\frac{1}{2}$  quarts per minute. The Board not being satisfied that this was all the water Hilsen was getting asked to measure the flow at a point about 300 feet back up the line at a point near his hog pens where he was taking water from the line. Mr. Hilsen reluctantly agreed to this and again engineers Cannon and Black measured the flow and found that it was flowing slightly more than 3 quarts per minute. The Board being satisfied that Mr. Hilsen was receiving all the water that he was entitled to decided to return to the Fred Burritt home and hold the regular monthly meeting.

The meeting was called to order by Phillips at 3:30 p.m. Minutes of the last board meeting held Sept. 9, 1970 were read and approved. Financial report was dispensed with since records were not present. Discussion of the Hilsen case was followed by a motion from Sheppard, seconded by Burgess that President Phillips contact the Association's attorney, Allen Brown, and have him prepare a letter to attorney Sell notifying him of the day's inspection and of the findings of that inspection, and that the Association would comply with an agreement made Dec. 12, 1967 and install a new line from a point above Mr. Hilsen's hog pens and above any outlets or attachments to the line to a point up to but not into Mr. Hilsen's cistern, a distance of 300 to 400 feet. Mr. Hilsen would be responsible for putting the water into his cistern and an overflow out of his cistern. All water used, except the overflow, will be pumped; there will be no pipes, valves or attachments of any kind on this line except that which the Association may install for the purpose of inspecting the flow, etc. The Board will await an answer to this letter. *no carried*

Hawkins reported that a new tap had been installed for Porter Bowen on Cedar Mesa and that Charles Campen had purchased a tap to be installed by next spring. Phillips stated that Lamptons were building a fund with him to purchase two taps. Sheppard said O.B. Kelly was undecided about his new tap. Hawkins reported that Mr. Lynn Wright had asked about installing a tap on his property recently purchased from McMillan. Mr. Wright's property is located on a  $\frac{3}{4}$  inch line already loaded and is 200 feet plus from a  $1\frac{1}{4}$  inch line. After discussion it was moved by Burgess, seconded by Sheppard that Mr. Wright be permitted to tap onto the  $\frac{3}{4}$  inch line provided he pay to the Association an amount equal to the cost of a new



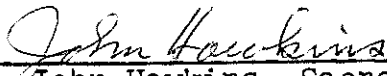
3/4 inch line from his home to the 1 1/4 inch line, this amount of money to be applied to the cost of a new one-quarter mile of line from the Hillgardner corner south to the 3/4 inch line which would eliminate the load on the 3/4 inch line. Motion carried.

Hawkins reported on the Lone Pine Estates project. He said that by agreement from most of the board members the pipe class had been raised up to Class 250 PVC O-ring for this project and that he had ordered 3,200 feet of this pipe from Bryant Construction Co., contractors for the Tri County Project, for 87¢ per foot, this price being less than any other we could find for class 160 pipe. There was some discussion as to the advisability of stockpiling some additional pipe at this price for continuing the loop from Lone Pine Estates to Mahannah's corner. Hawkins stated that Bryant Construction had 1,500 feet of Class 200 that they did not need and were planning to return to the factory. Hawkins was instructed to ask them to hold it for the Association.

Phillips said he had not had a chance to talk to Mary Jeffers Peterson about the availability of water for purchase but that he would soon.

It was suggested the Secretary notify all members of the increase in membership fee to give them an opportunity to obtain additional taps before the Jan. 1 deadline.

Meeting adjourned at 5:00 p.m.

  
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John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MEETING OF NOVEMBER 30, 1970

Meeting called to order by chairman Bob Phillips at the Phillips home at 8:00 p.m. Board members present: Phillips, Burgess, McPherson, Sheppard and Hawkins. Minutes of Directors meeting held September 29 were read and approved.

Financial reports for October and November were read and approved. The secretary reported that all bills due to Nov. 30, 1970, were paid. Total bills amounting to \$10,367.96, including \$1500 to the Reserve Fund and \$3,880.91 for material for capital improvements were paid in November, leaving a balance on hand at the end of the fiscal year of \$510.02 and Reserve Fund of \$6,638.08, leaving a balance available of \$7,148.10.

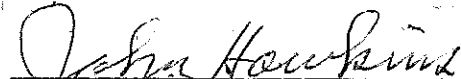
The secretary read correspondence between the Association's attorney, Allen Brown, and Leonard Hilsen's attorney, Marion D. Sell, in which Mr. Hilsen had accepted the Association's proposal for their line. This work has been completed to the apparent satisfaction of all concerned. Hawkins also reported that all the pipe and materials were on hand for Survalco's Lone Pine Estate project and work was approximately 1/3 completed. He stated that we had ~~1~~ 1500 feet of extra pipe on hand for future expansion.

There was considerable discussion on the increase in new

members and the need for future expansion, after which it was moved by Burgess, seconded by McPherson that the secretary look into the possibility of obtaining additional pipe from Bryant Brothers Construction Company, and stockpiling for future expansion. Motion carried.

The secretary presented a tentative budget for fiscal year 1971, based on a compromise between past experience and the ultimate income expected in 1971. It was agreed that the board should present to the stockholders at the annual meeting, two proposals. One based on past experience with little or no plans for capital improvements and another based on the ultimate income that could be expected with plans for considerable capital improvements.

Meeting adjourned at 10.00 p.m.

  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD JANUARY 4, 1971

Meeting called to order at Phillips' home at 8:30 p.m. and 10 below zero. Members present: Phillips, McPherson, Fischer, Sheppard and Hawkins. Minutes of last board meeting held Nov. 30, 1970 were read and approved.

Financial statement was given and outstanding bills presented as follows: Colo. West. Dist. Co., (Lamptom pipe): \$108.32; Phillips Auto & Implement (freight for Lamptom pipe): \$6.15; Cedaredge Lumber Co.: \$23.77; John C. Calhoun: \$110.00; Morcan Engineering: \$496.75; John Hawkins, secretary and maintenance: \$378.97; O. B. Kelly, \$17.53; R. P. Sheppard, \$5.00; Delta Implement: \$7.28; Town of Cedaredge, \$30.00. Moved by Fischer, second by Sheppard that the financial statement be accepted and the bills be ordered paid; carried.

The secretary reported that \$8,400.00 had been received from the sale of 32 new taps during December.

Eddie Fischer reported that the fruit growers associated with Palmer & Co. and being served by the Association have requested permission to fill their spray machines from a filler pipe on the main line. It was agreed that permission could probably be granted but the matter was tabled until a later meeting to give the secretary time to search the records for information regarding policy, pricing, etc.

There was discussion about the possibility of installing a warning light at the Cedar Mesa tank to warn of a sudden pressure drop in the system. Hawkins was instructed to see what he could find that could be installed without too much expense.

There was considerable discussion about the plans for the expansion program. Hawkins presented maps with tentative plans and cost estimates for extending the four-inch line from Survalco subdivision north to the present line at Paul Farley's or further if possible, with plans to continue this line across Surface Creek to the main line as soon as finances permit. Concern was expressed as to whether we would have enough money for this project and also whether or not it was physically practical. It was decided that the secretary should contact Bryant Bros. Construction and find out how much time we had to order pipe from them and to contact Morcan Engineering for an opinion on the plan and some more definite cost estimates.

Meeting adjourned at 11 p.m.

  
John Hawkins, Sec.

BOARD OF DIRECTORS MEETING UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, FEBRUARY 1, 1971, AT BOB PHILLIPS HOME.

Meeting called to order by President Phillips at 8:15 p.m.  
Members present: Phillips, McPherson, Sheppard, Fischer, Burgess, Burritt and Hawkins. LeRoy Black from Morcan Engineering was also present.

Minutes of last meeting held January 4, 1971, were read and approved. Financial statement was given with bills outstanding: \$60.50 to Town of Cedaredge; \$229.78 to John Hawkins and \$3,521.50 to F.H.A. Moved by McPherson, second by Burritt that the financial report be accepted and that the bills be paid. Motion carried.

The matter of filling spray tanks from the main line was brought up. After considerable discussion it was moved by Sheppard and seconded by McPherson that Palmer & Co. be permitted to fill their spray tanks from stand pipes on the main line provided that they stand all costs of preparing facilities for filling and that they pay to the Association 70¢ per 1,000 gallons used. Installation to be done according to Association specifications and supervision. Motion carried.

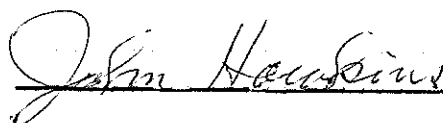
Hawkins asked if the board felt we could purchase a tapping tool to make new connections to the line as we were having to depend on the Town of Cedaredge to make the connections for us and it was quite an inconvenience to them and to us. He felt that, based on an old catalogue price, we could get what we need for around \$150.00. Moved by McPherson and seconded by Burgess that the Secretary be authorized to purchase a tapping tool. Motion carried.

Hawkins reported that he, with the assistance of Earl Hildenbrand, was working on a warning light for the Cedar Mesa tank and thought it was about ready.

LeRoy Black commented on the plans for the Cedar Mesa Pipeline extension. He said he had gone over the tentative plan that Hawkins had presented and that he had made one change in the location of the lower pressure regulator station in order to equalize the pressure with the rest of the system. He said it would not be necessary to use steel pipe on the upper end of the line except as a conduit across Surface Creek. He said that we would not need to enlarge the upper end to a six-inch line unless we anticipated extra heavy use in that area. He said the elevations, pressures and pipe classes shown in our plan were correct and it looked to him like a very feasible plan that would greatly increase the capacity of the system. When asked for a cost estimate, Mr. Black stated that he had not prepared a cost estimate since we had a fairly firm price on pipe from Bryant Brothers and that we could probably make a better installation cost estimate than he, due to local conditions.

Sheppard said that he felt that because of the attractive pipe price it would be a good investment to purchase all the pipe necessary to complete this project and postpone installation another year or until the budget will permit. Other comments were that we could install as far as possible this year with hopes of reaching the existing line at Paul Farley's. After much discussion it was moved by Fisher, seconded by Burgess that the Secretary be authorized to purchase from Bryant Brothers Construction all the pipe necessary for the full length of the project with actual installation plans to be decided at a later meeting. Motion carried.

Meeting adjourned at 10:00 p.m.



John Hawkins, Sec.



MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION MEETING OF MARCH 17, 1971, AT BOB PHILLIPS HOME.

The meeting was called to order by Chairman Phillips at 8:00 p.m. Board Members present: Phillips, Sheppard, Burgess and Hawkins.

Minutes of directors meeting held Feb. 1, 1971 were read and approved.


The Secretary presented the financial statement showing receipts for February as \$1,976.00 and disbursements of \$3,936.78, leaving a balance on hand March 1, 1971, of \$9,426.31. Bills outstanding March 1: \$1,074.09. MOVED by Burgess and SECOND by Sheppard that the financial statement be accepted and the bills be allowed and ordered paid. Motion carried.

Hawkins stated that the pipe for the new line on upper Cedar Mesa had been ordered from Bryant Brothers Construction Co. and was expected to arrive on the following day. He also reported that Floyd McPherson had made arrangements with Andrew Herman to store the pipe in the Mountain Fruit Company building in Cedaredge and that rental would be \$100 per year paid in advance.

Hawkins reported that he had checked with Delta Savings and Loan regarding withdrawing from our reserve fund to help pay for the pipe. He had learned that to withdraw on the special certificate we have with them we would be penalized 90 days interest. Our open account would carry no penalty. However, we can borrow on both accounts by paying 1 per cent per year more than we are receiving from them. After some discussion it was MOVED by Sheppard and SECONDED by Burgess that we leave our reserve fund intact and borrow against it the amount that will be necessary to pay for the pipe. Motion carried.

There was discussion of the construction of the Campen line on Upper Surface Creek. It was felt that this line should be installed inside of the fence on the John Dickerson property. The secretary was instructed to approach Mr. Dickerson for a right-of-way easement.

Meeting adjourned 9:45 p.m.

  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION MEETING HELD MAY 6, 1971, AT BOB PHILLIPS HOME.

The meeting was called to order by Chairman Phillips at 8:00 p.m. Board members present: Phillips, Burgess, McPherson, Fischer and Hawkins.

Minutes of last director's meeting held March 17, 1971, were read and approved.

The financial statement on outstanding bills was presented by the secretary. MOVED by Burgess, SECOND by McPherson that the financial statement be accepted and the bills be ordered paid except the Morcan Engineering bill which should be withheld pending receipt of an itemized statement. Motion carried.

The question of the Campen line came up and Hawkins stated that the Dickersons had granted the Association a Right-of-Way easement through their property. He also stated that the Dickersons had since sold this property to a man from Denver and to Bob McMillin and that in talking with Mr. McMillin he had indicated that we may be able to get some financial

(May 6, 1971 Minutes continued)

help for the Campen line. After some discussion the secretary was instructed to contact Mr. McMillin and see if he would either purchase a new membership or contribute to the expense of the pipe line.

Hawkins stated that Mr. George Zimmerman was preparing to develop his subdivision on Cedar Mesa and would the Association be interested in furnishing the pipe for oversizing the line through his property and if so what kind of an agreement can we offer him. After considerable discussion it was moved by Fischer and seconded by Burgess that we offer to purchase 3 inch pipe provided Mr. Zimmerman pay the cost of 2½ inch pipe plus an additional 10¢ per foot for handling and storage, and that he make all installation in compliance with the policy and specifications of the Association. Motion carried.

Eddie Fischer stated that he was considering developing a trailer court and was wondering what could be worked out to supply water for it. After discussion it was decided that a special policy would have to be established and that we should wait until a later meeting to give the directors a chance to think about it.

Meeting adjourned at 10:00 p.m.

  
John Hawkins, Secretary

MINUTES OF DIRECTORS MEETING JUNE 18, 1971 OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION AT BOB PHILLIPS' HOME

Directors present: Phillips, McPherson, Sheppard, Hawkins. Meeting called to order by Chairman Phillips at 8:00 P.M. Minutes of last meeting held May 6 were read and approved.

The secretary gave the financial report and report of outstanding bills. Moved by McPherson, seconded by Sheppard that the financial report be accepted and the bills be ordered paid. Carried.

Hawkins read correspondence between him and Mr. Zimmerman concerning the conditions which the Association would participate in his proposed line and that Mr. Zimmerman had accepted the conditions and had sent his check for full payment for the pipe. This pipe has been purchased and is on hand. Hawkins also stated that all the pipe for the new 4 inch line had been delivered and was in storage. A late order for additional pipe had not been delivered and was doubtful whether it would be or not due to the completion of the Tri-County Project.

The Secretary reported that Fred Campen is building his new home on the Kelly property and a new line has been put in to his house from the main line 270 ft. from main line to meter pit. This is a two inch line with plans for extending southward in the future. This is all to be paid for by Mr. Campen. The one-quarter mile of line through the Dickerson property is planned for July with Warren Nyland to do the excavating. Hawkins stated that he would like to lay this line and do the bedding in order to get an estimated cost of laying this type of pipe. The Board agreed to this.

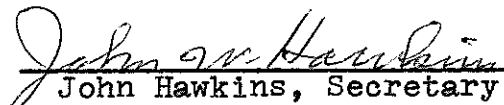
(June 18, 1971 Minutes continued)

Robert McMillin has purchased part of the Dickerson property and is willing to participate in the expense of construction of the new line through that property. It was moved by McPherson, second by Sheppard that we accept an interest free loan from Mr. McMillin for \$1,000.00, to be repaid to him in the form of one membership at his request and the Association will sign a note to him to that effect. Motion carried.

Mr. Lynn Wright has agreed to pay \$200.00 as his share of the Dickerson line. Moved by Sheppard and second by McPherson that this be approved. Motion carried.

B. C. Sherrill has purchased part of the Frank Briggs property and has asked for a tap to be installed there. He has not purchased a membership from the Association and it is understood that he is attempting to purchase one privately so no installation can be made until he can offer proof of membership.

Meeting adjourned at 9:45 p.m.

  
John Hawkins, Secretary

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD AUGUST 2, 1971, AT THE BOB PHILLIPS HOME.

Members present: Phillips, Sheppard, Fischer, Burritt and Hawkins.

Meeting called to order at 8:15 p.m. by President Phillips. Minutes of last Board meeting, held June 18, were read and approved.

The secretary gave the financial statement and presented outstanding bills. Hawkins stated that all of the pipe for the new project had been purchased and all paid for. He said the entire amount of \$15,910.20 had been paid without having to borrow from the Reserve Fund or any other source. It did, however, leave the current operating funds a little short and that we would not have enough to pay the August quarterly loan payment to F.H.A. for about a month, which is the time it would take to get the operating fund back on a current basis. There was also discussion about the bill from Morcan Engineering Company for \$278.80. It was felt the charges were excessive for the services received. Moved by Burritt, seconded by Fischer to accept the financial statement and order the bills paid as money is available, except to hold the Morcan Engineering bill for further action and to contact F.H.A. about being a month or so late with our payment. Motion carried.

Hawkins stated that the one-quarter mile of 2" line across the Dickerson place had been laid and hand-bedded. All that remained was to finish backfill with a dozer and clean up. The water has been turned on and that line is in operation. When asked about the cost, he stated that it looked like the cost of stringing pipe, installing it and hand filling was about 10¢ per foot; no cost figures yet on machine work.

This brought up considerable discussion about the possibility of



installing the new 4-inch line over the north end of Cedar Mesa this fall. The financial situation was reviewed, showing all of the Reserve Fund of \$6,800.00 still available; Survalco has given a verbal commitment of \$2,500.00 more or less. The balance necessary, which could run anywhere up to \$10,000, could possibly be borrowed from the local bank. Moved by Sheppard, second by Fischer that the President and Secretary be instructed to look into the possibility of obtaining a loan of up to \$10,000 from the First National Bank of Cedaredge and to start work on ~~right-of-way~~ obtaining right-of-way easements along the proposed line. Motion carried.

Chairman Phillips reported that the Town of Cedaredge had indicated that they were interested in removing the Association's billing and collecting from the Town office, or charge considerably more than the current \$30 per month now being charged. Reports ran as high as \$100.00 per month. He reported that some of the Board members had met with Ed Marah to discuss the matter. Mr. Marah had stated that the Town Council might consider \$80.00 per month if we would consider that amount. There was considerable discussion about the advantages and disadvantages of keeping the billing and collecting in the Town Hall as against removing it to the hands of the Secretary of the Association, thus placing all the business of the Association in one central location. A motion was made by Fischer and seconded by Sheppard that we remove the billing and collecting from the office of the Town of Cedaredge and that we rent a post office box in Cedaredge in the name of the Association and that all payments be mailed to that box number. All billing and collecting to be done by the Secretary of the Association, John Hawkins, and his wife, Kathleen, as an assistant; they to be paid a beginning salary of \$70.00 per month for all billing and collecting and all the secretarial work of the Association. Motion carried.

Phillips stated he will notify the town of this action.

The meeting adjourned at 10:00 p.m.

  
John Hawkins, Secretary

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE UPPER SURFACE CREEK WATER USERS ASSOCIATION HELD SEPT. 6, 1971, AT THE BOB PHILLIPS HOME.

Meeting called to order by Chairman Phillips at 8:15 p.m. Board members present: Phillips, McPherson, Sheppard, Burritt and Hawkins.

Minutes of the last meeting held August 2, 1971, were read and approved.

Secretary Hawkins read the financial report and presented the bills due. Moved by McPherson, Second by Burritt that the financial statement be accepted and that the bills be ordered paid except the Morcan Engineering bill which is to be held another month. CARRIED.

Hawkins stated that Bob McMillin had completed payment of his \$1,000 for a short-term loan to the Association to be applied on a membership certificate on demand, and that he had prepared a note to secure the loan. After some discussion it was decided that a contract would be more appropriate than a note and the secretary was instructed to prepare one.

(Sept. 6, 1971 meeting, cont'd).


Chairman Phillips reported that he had contacted the First National Bank of Cedaredge about a loan to complete the new pipe line project and was informed that the application would have to go before the loan committee. Also that they would need a current financial statement from the Association, a note of approval from the stockholders and a resolution from the Board of Directors. Hawkins presented the financial statement and the minutes of the last stockholders meeting, which were approved. He then presented a resolution to borrow money that he had prepared for adoption by the Board. Moved by Sheppard, second by McPherson that the resolution be adopted and that the President and Secretary be authorized to sign the same. CARRIED.

Hawkins stated that he had obtained information regarding obtaining a right of way across Bureau of Land Management property and the complications involved. Moved by Burritt, Second by McPherson that we obtain the services of Morcan Engineering and Attorney Allen Brown in preparing an application for obtaining this right of way. CARRIED.

Discussion of a contractor to do the machine work on the pipe line. Warren Nyland had expressed a desire to do the work on an hourly basis. It was decided that other contractors in the area should be contacted and see what kind of offer could be obtained from them.

Fear was expressed at the danger of fire destroying the pipe stored in the Mountain Fruit Company building. Moved by McPherson, second by Sheppard that the secretary be instructed to see that the pipe was properly insured and to purchase insurance if necessary. CARRIED.

No other business being presented, the meeting adjourned at 10:00 p.m.

  
Secretary-Treasurer

SPECIAL MEETING OF THE BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, SEPT. 16, 1971, AT BOB PHILLIPS HOME.

Meeting called to order by Chairman Phillips at 8 p.m. Board members present: Phillips, McPherson, Sheppard, Fischer and Hawkins.

Minutes of last meeting held Sept. 6, 1971, were read and approved. This being a special meeting, no financial report was given.

Hawkins stated that Allen Brown was preparing an application for a right of way across a parcel of public land administered by the Bureau of Land Management and that various documents to accompany the application were being prepared, one being a resolution from the Board of Directors authorizing the application. Mr. Brown is preparing the resolution but did not have it ready for this meeting as planned. Moved by Sheppard, second by Fischer, to adopt the resolution subject to approval by the President and Secretary when it is received from Mr. Brown, and the President and Secretary be authorized to place their signatures thereon. CARRIED.

Discussion of a contractor revealed that only two had expressed a desire to construct the pipe line and that they were only interested in doing the machine work. Earl Troop offered to clear right of way, trench and backfill for 50¢ per foot. Warren Nyland offered to do the same work on an hourly basis of \$12.00 per hour for backhoe and \$16.00 per hour for bulldozer. It was felt that from the experience we had

(Sept. 16, 1971 meeting, cont'd.)

had with Warren Nyland this past year that his bid was the cheaper of the two. Moved by McPherson, Seconded by Fischer that Warren Nyland be hired to do the machinery work and that Hawkins be authorized to hire help for doing the hand work and to supervise the construction. CARRIED.

The subject of whether to put the new line under Surface Creek or swing it over was discussed. It was decided to attempt to go under both Surface Creek and Milk Creek with plastic pipe.

No other business coming before the Board, the meeting adjourned at 9:30 p.m.

John Hawkins  
John Hawkins, Secretary

MEETING OF THE BOARD OF DIRECTORS OF THE UPPER SURFACE CREEK DOMESTIC WATER USERS ASSN., HELD NOV. 2, 1971, AT THE BOB PHILLIPS HOME.

Members present: Phillips, McPherson, Fischer, Sheppard, Burritt and Hawkins.

Meeting was called to order by Chairman Phillips at 8:00 p.m. Minutes of the last meeting, held Sept. 16, 1971, were read and approved.

The financial statement and bills outstanding were presented by the Secretary. After discussion, it was moved by McPherson, seconded by Fischer, that the financial statement be accepted and that the bills be ordered paid. Carried.

Hawkins reported that work was progressing slowly on the new line because of adverse weather conditions, but that he expected to cross Surface Creek and Milk Creek and have the upper end completed in about a week. It was emphasized by Board members that every effort should be made to cross the creeks before weather conditions became any worse. The lower end of the line could be postponed until spring if necessary. Hawkins said that \$1,140.33 had been paid on the new line in October and that outstanding bills on the new line amounted to \$3,522.27 for a total to date, excluding pipe cost, of \$4,662.60. These costs appear to be within or less than the estimate.

Hawkins stated that he had been having trouble getting some of the right-of-ways on the lower end of the line but it looked now like we would get them all within a week or so, except the one from the Bureau of Land Management, which could be delayed indefinitely.

Phillips stated that he had met with attorney Allen Brown concerning changing the By-Laws regarding membership fees and that Brown had agreed that the change should be made and that he would prepare a question to be included in the call of the annual stockholders meeting. It was agreed that the annual meeting would be held at 2:00 p.m., Dec. 14, 1971, at the American Legion Hall in Cedaredge, the Cedaredge Town Hall having been too crowded at last year's meeting.

Hawkins reported that the Town of Cedaredge had received an order from the State Health Department to begin disinfecting their water almost immediately and that he had had a meeting with Mayor Ed Marah and a representative from the Health Department concerning the possibility of using the chlorinator station that the Association had installed in 1967 on the common line with the plan that it could be used for both



R E S O L U T I O N

WHEREAS, THE UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, is now engaged in relocating a portion of its supply line between its source of supply of water on East Surface Creek and East Beaver Creek on Grand Mesa, to its water users on Cedar Mesa and Redlands Mesa; and

WHEREAS, it has been determined by Morcan Engineering Company, employed by said Association to supervise said relocation, that it is necessary and advisable to cross the Southeast Quarter of the Southwest Quarter of Section 10, Township 13 South, Range 94 West of the Sixth Principal Meridian, from the North line across and to the South line of said tract, as more particularly described in that certain Plat prepared by said Engineering Company on September 17, 1971; and

WHEREAS, the above described land is a portion of the public domain administered by the Bureau of Land Management; and

WHEREAS, said agency has requested this Association to designate its agents and representatives to represent the Association in making the necessary arrangements to acquire a right-of-way and easement for said pipeline across said property;

NOW, THEREFORE, BE IT RESOLVED By the Board of Directors of The Upper Surface Creek Domestic Water Users Association, that R. E. Phillips, President, and John W. Hawkins, Secretary-Treasurer of The Upper Surface Creek Domestic Water Users Association, are hereby designated and appointed to represent the Association in making application for and signing and executing any and all papers and documents which may be required by the Bureau of Land Management and such other governmental officers or agencies as may be necessary to secure a right-of-way and easement for said pipeline across said property.

\* \* \* \*

I do hereby certify that the above and foregoing Resolution was duly and regularly adopted by the Board of Directors of The Upper Surface Creek Domestic Water Users Association at a ~~regular~~ (special) meeting of said Board held at its office on the 16th day of September, 1971.

  
Secretary

(Nov.2, 1971 Meeting, continued)

systems when necessary. This chlorinator is acceptable by the Health Department and ready for operation. The Cedaredge Town Council is to meet next Thursday, Nov. 4, and would like to discuss the matter with this Board. It was decided that as many as possible should attend that meeting.

There being no other business, the meeting adjourned at 9:45 p.m.

John Hawkins  
John Hawkins, Secretary

SPECIAL MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSN. WITH CEDAREEDGE TOWN COUNCIL AT CEDAREEDGE TOWN HALL, NOV.4, 1971

Board members present: Phillips, McPherson, Fischer, Burritt, Hawkins.

The meeting was called to order by Mayor Ed Marah who disposed of reading of minutes and general business of the Town Council. Marah then read correspondence and reported on meetings with a representative of the State Department of Health regarding disinfecting the Town's water supply. He mentioned the possibility of using the Association's chlorinator station and asked for comments. Phillips stated that the chlorinator had been installed in the common line so that both systems could be treated from one station and that the Association was willing to cooperate with the Town to put the station into operation provided a satisfactory financial arrangement can be agreed upon.

Marah asked how much the Association had invested in the station. Hawkins replied that the contract price for the station complete was \$2,750.00 and if we added pro-rated engineering fees and four years' interest it would be around \$3,500.00. Marah stated that preliminary investigation indicated that they could probably install one themselves for considerably less than that figure. Phillips then stated that if the Town would get a fair estimate of what a station would cost them installed and ready to operate that the Association would consider selling to the Town four-fifths interest in its station at four-fifths of that cost. The Town agreed that would be a fair point to start from and that they would let the Association know when their cost estimate was ready.

There was other discussion of mutual interest to the common line after which the Association Board members excused themselves from the meeting.

John Hawkins  
John Hawkins, Secretary

REGULAR DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD DECEMBER 8, 1971, AT THE BOB PHILLIPS HOME:

Meeting called to order by Chairman Phillips at 8:00 p.m. with Board members Phillips, McPherson, Sheppard, Fischer, Burritt and Hawkins present.

The Secretary read the minutes of the last regular Directors meeting held November 2, 1971, and a special meeting with the Cedaredge Town Council on November 4, 1971, both of which were approved as read.

The Secretary presented the financial statement and bills outstanding. After discussion it was MOVED by McPherson, SECOND by

(Meeting of Dec. 8, cont'd)

SHEPPARD that the financial statement be accepted and the bills be ordered paid. MOTION CARRIED.

The Secretary presented a letter from Herschel Burgess, Sr., offering his resignation from the Board since he had moved from the area and was no longer a member. MOVED by McPherson, SECOND by Sheppard that the resignation be accepted and that the Secretary be instructed to send a letter of appreciation for all the years of service and time that he had devoted to the Association. CARRIED.

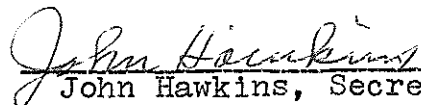
It was decided that because of the nearness of the annual meeting that the Board would not make an appointment to fill the vacancy created by Burgess's resignation, but would let the members elect a replacement at the meeting.

The Secretary presented the budget that he had prepared for 1972. The budget proposed the completion of the main line extension and the Zimmerman subdivision and the borrowing of the remaining \$3,000 of the \$10,000 loan from the First National Bank of Cedaredge. After considerable discussion, it was MOVED by Sheppard, SECOND by McPherson that the proposed budget be presented to the annual meeting for approval of the members. CARRIED.

A study of delinquent accounts ~~reviewed~~ revealed that there were two or three accounts that had become inactive and delinquent payments equaled or exceeded the original cost of the memberships. It was decided that the Secretary should check with Attorney Allen Brown and see what steps should be taken to dispose of these accounts.

Hawkins reported that the new line was within 5,000 feet of being completed but that he had to shut down for ~~xxxx~~ the winter because of heavy snow and cold weather. He reported that all right-of-way easements had been obtained including the one from the Bureau of Land Management.

No other business coming before the meeting, it was adjourned at 10:00 p.m.

  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MEETING HELD FEB. 8, 1972 AT THE BOB PHILLIPS HOME

The meeting was called to order by Chairman Phillips at 8 p.m. Board members present: Phillips, McPherson, Burgess, Fischer, Sheppard, Burritt and Hawkins.

Minutes of the last meeting of Dec. 8, 1971, were read and approved as read. The financial statement and bills outstanding were presented by the secretary. MOVED by Sheppard, SECOND by Burritt that the financial statement be accepted and the bills be ordered paid. MOTION CARRIED.

The secretary brought up the matter of delinquent accounts, the largest being: Roy Humble-Purcel Kinnick (\$409); George Warehime (\$334.20); Survalco (\$720); Marvin White-Genevieve Hartig (\$353); Earl Ellsworth (\$157); Earl Bennett Jr., (\$299.00). Hawkins said



QUESTION TO BE SUBMITTED TO THE MEMBERS OF  
THE UPPER SURFACE CREEK DOMESTIC WATER USERS  
ASSOCIATION AT ITS ANNUAL MEETING ON TUESDAY,  
DECEMBER 14, 1971.

"Shall Section 1 of Article III of the By-Laws of The  
Upper Surface Creek Domestic Water Users Association, entitled  
'Membership,' be amended to read as follows? :

'Section 1. Persons who reside in the area served by this  
Association, as described in the Certificate of Incorporation, and  
considering the needs of users who may already be members, for whom  
the Association has an adequate supply of water, and can serve with-  
out undue hardship, in convenience or expense, shall be eligible for  
membership upon application in such form as provided by the Associa-  
tion and upon payment of a membership fee of One Thousand (\$1,000.00)  
Dollars.'

(Feb. 8, 1971 meeting continued)

that he had written Earl Bennett Jr. in November informing him that if his account was not paid in full by Dec. 31, 1971 that his account would be closed on the books of the Company and his claim to membership would be forfeited since he had never completed payment on his membership. This action was approved by the Board and the secretary was instructed to notify Mr. Bennett that this had been done. Earl Ellsworth had promised to pay in full by Dec. 31, 1971 but the Association had not yet received any payment; his water is to be shut off soon if no payment is received. Word had been received of the death of George Warehime and his Estate had written their assurance that they would take care of Mr. Warehime's delinquent account as soon as possible. Genevieve Hartig has assured the Association that the Marvin White account will be taken care of one way or another. It appeared that we may have to take some action to repossess and sell the Purcell Kinnick-Roy Humble membership. Attorney Allen Brown has agreed to draw up the necessary forms to proceed. Survalco has agreed to pay their account in full provided they could transfer one of their memberships to Wayne Ellison to be installed on the Glenn Kunce line. This created considerable discussion in that this line does not have sufficient capacity for any additional taps; however, it was agreed that this transfer could be made provided Mr. Ellison make arrangements to obtain water from a section of the line with sufficient capacity. There is a possibility of other potential members in this area going together and installing a larger line to serve them. The secretary was instructed to send a letter to Survalco to inform them of the stipulations in the Association By-laws concerning sale and transfer of memberships.

Hawkins reported to the Board regarding the situation of the Bellinger and Langford membership. Mrs. Bellinger allegedly is supposed to have sold her property and membership to the Bert Langfords. However, she has never transferred the certificate and all the efforts of this Association, two real estate agencies, the Colorado Real Estate Commission and Attorney Allen Brown have been unable to persuade Mrs. Bellinger that she should transfer the certificate. The Langfords have quit paying the water bill in an effort to force some action but without results. The secretary was instructed to write Mrs. Bellinger informing her that we would be forced to sell the membership to collect unpaid assessments.

Bud Burgess asked if it would be possible to install a meter at his place on Dry Creek, this place originally having been supplied with a dole system. Hawkins stated that he felt it would be an advantage to the system to install a meter there and also at the Herb Briscoe and Lester Radcliff places. He stated that he could obtain some different type of meters that were supposed to be unaffected by sand that he would like to try in Dry Creek and at the Walter Lugard place, where we have a lot of trouble with sand clogging the meters. MOVED by Burritt, SECOND by Sheppard that Hawkins obtain some of these new meters and install in these places. MOTION CARRIED.

Hawkins stated that Allen Brown thought we should have membership application forms for prospective new members to sign and had given us a sample of another company's form to use as a guideline. MOVED by Fisher, SECOND by Burgess that we prepare such forms. MOTION CARRIED.

Hawkins stated that he and Kathleen had talked with Ron Hodgins of Calhoun & Associates about the possibility of changing the billing and posting system and that Hodgins was going to obtain some sample materials and some price estimates for us, but we had received no word

(Feb. 8 meeting, continued)

from him as yet.

There being no other business, the meeting adjourned at 9:45 p.m.

  
John Hawkins, Secretary

BOARD MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION,  
HELD APRIL 19, 1972, AT HOME OF BOB PHILLIPS

Board members present: Phillips, Burritt, McPherson, Burgess and Hawkins. The meeting was called to order at 8:15 p.m.

Minutes of the last meeting, held Feb. 8, 1972, were read and approved. The Secretary gave the financial report with bills outstanding. It was MOVED by McPherson, SECOND by Burritt, that the financial report be accepted and the bills be ordered paid. MOTION CARRIED.

The Secretary reported that some of the badly delinquent accounts had been paid and that things were looking better in that respect. He also reported that the good weather had made possible the completion of the new pipe line except for cleaning up the right-of-way and a few other minor items, and that the system was in operation and working very well. He reported also that by drawing the remaining \$3,000 of our \$10,000 loan from the Cedaredge Bank all bills would be paid, thus completing the project without drawing any money from the Reserve Fund.

Hawkins stated that he and Ed Marah had worked out a cost estimate for a new chlorinator station for the Town of Cedaredge similar to the one the Association has installed in the common line, and that we had received an offer by mail from the Town to purchase 4/5 interest in our chlorinator station for the price of \$1,074.00, this sum being 4/5 of the estimated cost of a new one. The Farmers Home Administration has suggested that because of the red tape and complications involved in conveying title that we convey a perpetual use right. After some discussion it was MOVED by McPherson, SECOND by Burgess that upon receipt of \$1,074.00 from the Town of Cedaredge ~~we~~ this Association will grant to the Town of Cedaredge a perpetual use right to the chlorinator station owned by the Association, said station to become a part of the common line and subject to all existing agreements pertaining to operation and maintenance of the common line. MOTION CARRIED.

Hawkins reported that he, Fred Burritt and Eddie Fischer had attended a meeting with the Cedaredge Town Council and Wes England from the Town of Orchard City. Bert Hoyer has asked for water service to property owned by him near the old Cedaredge intake out of Surface Creek. Purpose of the meeting was to determine who could serve that area. Wes England stated that they could not serve Hoyer with existing facilities and had no desire to get into the area any more than they already were. The Town Council (Cedaredge) voted not to serve the area at all. Our delegation felt that they could not commit the Association without a Board meeting; however, it was generally agreed that by virtue of the 1970 agreement among the three groups that the area in question was within our service area, thus the decision was left to us



as to whether or not Mr. Hoyer would receive service. After considerable discussion by the Board it was generally agreed that this was within our service area and should be treated on the same basis as all other new members and potential members and that no special action was necessary.

It was noted that the Association does not have any public liability insurance. After some discussion on the matter it was MOVED by McPherson and SECONDED by Burgess that we obtain \$1000,000.00 liability insurance. MOTION CARRIED.

There being no other business, the meeting adjourned at 10:15 p.m.

John Harrison  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS HELD JULY 18, 1972, AT THE BOB PHILLIPS HOME.

The meeting was called to order by President Bob Phillips at 8 p.m. Members present: Phillips, Fischer, Sheppard, Hawkins, Burgess and McPherson.

Visitors present: Wayne Ellyson, Ingval Hanson, Andy Ragloski.

Minutes of the last meeting, held April 19, 1972, were read by the secretary and approved as read.

The secretary-treasurer presented the financial statement, including outstanding bills. MOVED by Sheppard, SECONDED by Fishcer that financial report be accepted and the bills be allowed. MOTION CARRIED.

The secretary read a letter from the Town of Cedaredge concerning the chlorinator plant. The secretary also read a letter from the Delta County Planning Commission asking for a representative of the Association to attend the Commission's meetings. McPherson MOVED that we participate. SECONDED by Burgess. MOTION CARRIED. Phillips appointed Hawkins to attend the meetings.

The subject was ~~intx~~ introduced of completing the Wagner loop and serving possibly 8 new taps or more in this area. The approximate cost for 3,500 feet of 2-inch line would be \$6,000.00. Route discussed. Discussion followed on how cost would be borne by those using it and the policy of the company on financing construction was explained to the interested visitors: The \$1,000 tap fees are not to be used to build spur lines but to develop more water and for constructing main lines. Once a line is installed, it becomes Company property. Phillips stated that those who participated in the line should have the right to its use before it became burdened. Fischer suggested that Hawkins get together with all interested parties and determine how many feet of line is involved, cost, number of participants and cost to each. It was decided that the question was resolved for the present by instructing Hawkins to meet with interested participants.

Next order of business: Hawkins explained that Don Cox had sold his property and had bought a new tap for his new residence to be located on the hill above his former residence. Cox had contracted to install a 4-inch line to the new owners of his property, Mr. Lou Brewer and associates, who plan to build a small industrial plant on the premises. The 4-inch line is necessary for insurance purposes in regard ~~ak~~ to fire protection. After some discussion, it was decided that due to the favorable location on the line, this action is feasible. Hawkins

(July 18, 1972 meeting, cont'd)

told the group he had made inquiries as to comparative prices between galvanized and plastic pipe and had had an opportunity to get some plastic pipe with early delivery at a good price, so had ordered. The Board agreed this was the right move.

Hawkins explained the situation concerning the Darrell Geyer tap on the common line with Cedaredge. Marah had mentioned the possibility of buying a reservoir site on the Hamilton property and wondered if the Association is interested in going in on this. There was discussion on how revenue from these taps on common line should be shared. The feeling was expressed that there should be a binding, written agreement on this.

The Marvin White situation on Redlands Mesa was introduced. White owns two taps, one on the former Bud Holvoek place, one on the former Genevieve Hartig place, and had requested that he be allowed to install a dole-tap in a separate place without buying a third tap, to use intermittently. MOVED by Sheppard, that this request be denied because regulations of the Association do not allow it. SECONDED by Burgess; MOTION CARRIED.

Buckley Peterson had questioned Hawkins about placing pressure regulators inside new houses on the Association's system. Hawkins had told him that policy had been that the Association could be responsible only for those pressure regulators in the meter pit. MOVED by Sheppard, that these can be put in all new houses but property owners must be responsible for them. Existing tap owners may also change to this if they will assume responsibility. SECONDED by McPherson. MOTION CARRIED.

After some discussion on the Association's finances, it was MOVED by McPherson and SECONDED by Fischer that we put \$1,500.00 in our reserve fund this year, plus interest on reserve back into savings account. MOTION CARRIED.

Meeting adjourned at 10:30 p.m.

John Hawkins  
Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, SEPTEMBER 11, 1972, AT BOB PHILLIPS HOME.

Meeting called to order at 8 p.m. by President Bob Phillips. Board members present: Phillips, McPherson, Sheppard, Fischer, Hawkins, Burgess. Visitors present: Glenn Kunce, Andy Rugloski, Mrs. Snook, Mr. Geddis.

Minutes of previous meeting held July 18, 1972, were read by the Secretary and approved. Financial report for months of July and August read by Secretary-Treasurer John Hawkins, with bills outstanding read.

MOVED by Sheppard, SECONDED by McPherson, that the Board accept the financial reports and the bills be allowed. CARRIED.

OLD BUSINESS: Hawkins reported that he had talked with those involved in the proposed Wagner Loop line, and that the general agreement had been to concentrate efforts on building a main line and installing spur lines as needed. Fischer said he felt this proposed line was not a branch line but a continuation of the main line. He said there were eight people willing to purchase a membership and possibly help some on

(Sept. 111, 1972, meeting, cont'd.)

the cost of installation. Hawkins estimated the cost of the line at approximately \$6,000 for the 3500 to 4000 feet involved.

After considerable discussion it was MOVED by McPherson, SECOND by Sheppard that this line be considered a part of the main line and that when the Association has received full payment for at least eight new and not transferred memberships, the Association will build a new line from the 4-inch main line at the SW corner of the Ingval Hanson property, east one-half mile to the Wagner corner and north to the existing line at the Glenn Kunce property. CARRIED without opposition. Fischer and Kunce said they would try to get the money all collected within a week so that pipe could be ordered in time for installation this fall.


Phillips asked about the chlorinator situation. Hawkins said we were still waiting reply from Town of Cedaredge regarding our proposal.

Hawkins said the Town of Cedaredge is considering building a storage tank on the Calvin Hamilton property on Upper Surface Creek and they are wondering if this Association would be interested in participating. There was some discussion on how this would affect our future needs. No action taken.

Hawkins reported that there were some new homes about to be built near and behind the Virgil Goff place and that he was planning to install only one road crossing with a large enough line to supply the entire block since the road had been badly cut up the last couple of years in that area. These people apparently agree that they will pay all cost of installation on this line.

Ray Bingham is developing his Panorama Heights Subdivision on Cedar Mesa and would like to meet with the Board and work out some agreement to supply water and upgrade the line serving that area. He has one house completed and is about ready for water and he plans to use one of the Survalco extra taps for this house. It was agreed that this one house could be hooked up to the existing line and transfer of membership granted but that none other should be approved until a meeting is held with Bingham.

The meeting adjourned at 10:15 p.m.

  
\_\_\_\_\_  
John Hawkins, Secretary



MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, OCTOBER 23, 1972, at BOB PHILLIPS HOME

Board members present: Phillips, Burgess, McPherson, Fischer, Sheppard, Burritt and Hawkins.

Meeting called to order by Chairman Phillips at 8 p.m.

Minutes of last meeting held Sept. 11, 1972, read and approved.

Financial statement and bills outstanding were presented by the secretary-treasurer. MOVED by Fischer, SECOND by McPherson that the financial statement be accepted and the bills be ordered paid. MOTION CARRIED.

Old Business: The Wagner Loop was brought up. Andy Ruglaski has objected to purchasing a membership and paying the \$10 monthly charge before he is ready to use the water. After considerable discussion it was MOVED by McPherson and SECOND by Sheppard that the Board establish a policy that for the purpose of effecting new pipeline construction, the company may, at the option of the Board of Directors, accept payment of a tap fee without the monthly obligation of a membership for a period of not to exceed eighteen months from the first day of the calendar month following acceptance by the Company of said fee. At maturity date, or sooner, at the option of the prospective member, the Company will issue a certificate of membership which will be subject to minimum water charge and all other rules or regulations of the company. In no instance will a tap be installed without issuance of a membership certificate MOTION CARRIED.

It was decided that the Wagner Loop and the Elkins line behind Virgil Goff's place could both be installed if sufficient funds could be obtained via the above adopted policy, and/or membership fees to pay all costs of pipe and installation; justification being that the Board could visualize additional membership along both of these lines in the not too distant future.

Hawkins stated that Ray Bingham was about to complete another house on his subdivision and that he may be asking for service soon. It was decided that because of the location it would be okay to tie into the Town Dump line without additional upgrading of the line.

Roy Hubbard has asked if he could move a small camper trailer into their yard and hook their water to it for a member of their family to use. It was decided that this could be permitted provided it could be determined that it would all be a part of one household.

Pursuant to the by-laws, the Annual Meeting should be held the second Tuesday of December with election of officers, the terms of Hawkins, Burgess and Fischer expiring. It was decided to hold the meeting December 12, 1972 at 7:30 p.m. at a place to be selected by the Secretary and the Secretary was instructed to prepare the necessary notices for the call.

Meeting adjourned 10 p.m.

John Hawkins  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, DECEMBER 6, 1972, at BOB PHILLIPS HOME.

Meeting called to order by Chairman Bob Phillips. Board members present: Phillips, McPherson, Fischer, Sheppard and Hawkins. Ray Bingham was also present.

Minutes of last meeting held October 23, were read and approved. The Financial Report and bills outstanding were presented by the secretary-treasurer. MOVED by Sheppard, SECOND by McPherson that the financial statement be accepted and the bills be ordered paid. MOTION CARRIED.

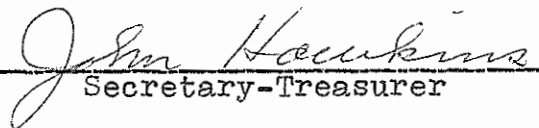
Hawkins reported that the new line had been installed to serve Iacovetto and Elkins by tying to the one-inch line east of Bob Brewer. Delay in supplies and bad weather had prevented tying to the four-inch main line near Goff as planned. This can be completed in the spring.

The Secretary reported that the annual stockholders meeting had been called for December 12 at 7:30 p.m. at the All-purpose Room in Hunsicker School and that due notice had been mailed to all members. Board members were urged to contact as many members as possible and urge their attendance.

The Secretary presented a tentative budget for 1973 that he had prepared. This was thoroughly discussed. It was noted that the budget provided for a sizeable carry-over at the end of the year. It was MOVED by McPherson, SECOND by Fischer, that the budget be amended to provide that the principle payments on the loan to the First National Bank of Cedaredge be increased from the estimated \$2,000.00 to \$4,000.00, and that with this amendment the budget be presented to the stockholders at the annual meeting. MOTION CARRIED.

Ray Bingham presented his map and plans for his Panorama Heights Subdivision and request for water service from the Association. It was noted that the present line serving that area was not adequate to serve this Subdivision and that it would have to be replaced and upgraded with probably a 4-inch line from the main line. Line should be PVC-Schedule 40 or equal with a pressure regulator station. Total line involved would be approximately one mile. No real cost estimate has been made. Mr. Bingham stated that if the cost could be figured within his budget that he would pay all cost of pipe and installation provided he could recover these costs in the form of memberships in the Association. It was generally agreed that the 18-month deferred membership recently enacted could be applied to this case. MOVED by Fischer, SECOND by Sheppard that Hawkins prepare a cost-estimate for Bingham and see if some agreement can be worked out. MOTION CARRIED.

There being no other business, the meeting adjourned at 10:00 p.m.

  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD AT BOB PHILLIPS HOME FEB. 12, 1973.

Directors present: Phillips, Burritt, Burgess, McPherson and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m. Minutes of the last meeting held December 6, 1972, were read and approved. The financial report and bills outstanding were presented by the secretary. It was MOVED by McPherson, SECOND by Burgess that the financial statement be accepted and the bills be ordered paid. CARRIED.

The secretary reported that there were enough funds on hand to make the annual reserve fund payment of \$1,500 to Delta Savings & Loan. He also noted that the pass book account had a total of approximately \$3,300 and that by adding \$1,700 a \$5,000 certificate could be purchased, thus increasing the interest rate and giving us two \$5,000 certificates. It was MOVED by Burgess, SECOND by Burritt to purchase a \$5,000 certificate. CARRIED.

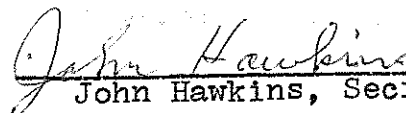
The Secretary presented an agreement that had been prepared for the Association and Ray Bingham for pipe installation for Panorama Heights Subdivision, the substance of the agreement being that Bingham would pay all costs of pipe and installation and recover said costs in the form of memberships in the Association. MOVED by McPherson, SECOND by Burgess to approve the agreement. CARRIED.

Hawkins stated that Charles Parker had requested a membership at a reduced rate on the basis of an alleged verbal agreement claimed many years ago for right of way. MOVED by McPherson, SECOND by Burritt that the request be denied. CARRIED.

Charles Worley had requested and received water from the McPherson stand pipe, and the question was presented of how much to charge him for it. It was agreed that this should be 10¢ per 100 gallon.

Director Burritt raised the question of wages for secretarial and maintenance work. After some discussion it was moved by McPherson and seconded by Burgess that Kathleen Hawkins's wages be raised to \$100 per month and that John Hawkins's wages be raised to \$2.25 per hour. CARRIED.

There being no other business to come before the board, the meeting adjourned at 9:45 p.m.

  
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John Hawkins, Secretary



MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, APRIL 30, 1973, at BOB PHILLIPS HOME

THE MEETING WAS CALLED TO ORDER by Chairman Phillips at 8:15 p.m.  
Board members present: Phillips, McPherson, Fischer, Sheppard and Hawkins.

MINUTES OF LAST DIRECTORS' MEETING, held February 12, 1973, were read and approved.

FINANCIAL STATEMENT for the months of February, March and April were presented by the secretary. After discussion it was MOVED by McPherson, SECOND by Fischer that the financial statements be accepted and outstanding bills be ordered paid.


Eddie Fischer commented that he had not been present at the last meeting where the wage increase for John Hawkins had been made, and that he felt the increase had not been enough. After some discussion it was MOVED by McPherson, SECOND by Fischer that the wage rate for John Hawkins be increased to \$2.50 per hour. MOTION CARRIED.

The secretary reported that the Town of Cedaredge had expressed their willingness to pay the Association the earlier agreed to price of \$1,074.00 for the use of the Association chlorinator that is installed in the common line. MOVED by Sheppard, SECOND by McPherson that the Association accept the check from the Town of Cedaredge for indefinite use of the Association chlorinator and that the chlorinator be paced in operation in compliance with requirements of the State Health Department. MOTION CARRIED.

Secretary Hawkins reported that work had been started on the Harris Loop extension and should be completed in another week or so, and that \$1,000.00 checks had been received each from Hanson, Ellyson and Stewart and that bank commitments had been received for Geddes and Snook.

Ray Bingham of Panorama Heights Subdivision has made an initial payment of \$1,500.00 on his commitment and his new home has been tied to the existing water line. Additional work on this project is awaiting signing of agreement and receipt of the remainder of the \$10,000.00 commitment. Pipe and materials have been ordered for this project.

THERE BEING NO OTHER BUSINESS, the meeting adjourned at 10:00 p.m.

  
\_\_\_\_\_  
John Hawkins, Secretary

MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, AUGUST 26, 1973, at the BOB PHILLIPS HOME.

Board Members present were Phillips, Burritt, Hawkins, Burgess, Sheppard and Fischer.

The meeting was called to order by Chairman Phillips at 8:00 p.m. Minutes of the last meeting, held April 30, were read and approved.

The financial statement was presented by the Secretary. MOVED by Burritt, SECOND by Sheppard, That the financial statement be accepted and outstanding bills be ordered paid. CARRIED.

Hawkins reported that the Harris, (or Wagner,) Loop line had been completed and that four new active members had been hooked up on that line. He also reported that a 600-foot extension had been completed in Lone Pine Estates Subdivision and that two of Survalco's taps had been hooked up there.

Ray Bingham of Panorama Heights Subdivision has paid the Association the full \$10,000.00 agreed to, and some work has been done on that line; however, the agreement has not yet been executed. MOVED by Burgess and SECOND by Fischer that the Panorama Heights agreement be executed and the President and Secretary be authorized to sign the same. CARRIED.


Glenn Kunce is developing rental trailer house spaces and requests water service. The Association has no established policy regarding rental trailer houses. After much discussion, it was MOVED by Sheppard that a rental trailer park may be served by one membership with a \$10.00 minimum per month fee for the park and a \$10.00 minimum per month fee for each unit being ~~serviced~~ used. A master meter may be used and overages for the entire park charged at the regular rate. Park owner to furnish all cost of installation. SECOND by Burgess. CARRIED.

Bert Hoyer, representing his proposed Timberline Subdivision was present to discuss the possibility of obtaining water service to his Subdivision. He and some of his neighbors have discussed with Hawkins the possibility of starting a new branch line from the main line to serve the area of Muck Lane. It was agreed that a line could be installed to the Glen Muck property if enough members could be obtained along the route, perhaps 10 or 12 members. MOVED by Burritt, SECOND by Burgess to give Mr. Hoyer a letter of assurance that water could be supplied to his Subdivision provided proper agreement can be made. MOTION CARRIED.

It was noted that the Financial Statement showed a considerable build-up in the bank account, that could be applied to the loan from the First National Bank. MOVED by Burgess, SECOND by Burritt that we apply \$5,000.00 on the loan from the First National Bank of Cedaredge. MOTION CARRIED.

Sheppard asked if we were keeping up with the new interest rates on savings accounts. Hawkins stated that we had been and that our first \$5,000.00 Certificate had been surrendered in favor of one bearing higher interest.

There being no other business, the meeting adjourned at 10:15 p.m.

  
John Hawkins, Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MEETING HELD AT THE BOB PHILLIPS HOME DECEMBER 6, 1973

Chairman Phillips opened the meeting at 8:00 p.m. and noted that all members were present.

Minutes of the last meeting were read by the Secretary and approved as read.

Financial report was presented by the Secretary. MOVED by McPherson, SECOND by Burritt that the financial report be accepted and the bills be ordered paid. MOTION CARRIED.

The financial report indicated that there would soon be \$5,000.00 available for deposit in the Association's savings account. After some discussion it was moved by Fischer, seconded by Burgess to apply \$5,000.00 to a short term deposit with Delta Savings and Loan. CARRIED.

MOVED by McPherson, SECOND by Sheppard to pay Kathleen Hawkins \$100.00 extra for additional work on the books at end of year. CARRIED.

Hawkins stated that Andy Herman had asked about the Association buying his backhoe. It was the opinion of the Board that it would not be practical at this time.

Secretary Hawkins presented the proposed budget for 1974 which he had prepared. After considerable discussion it was MOVED by Burgess, SECOND by Fischer that the budget be approved and the same be presented to the stockholders at the annual meeting. MOTION CARRIED.

It was noted that the annual stockholders meeting would be held Tuesday, December 11, at 7:30 p.m. at the All-purpose Room of Hunsicker School in Cedaredge. Directors terms expiring are: Bob Phillips, Floyd McPherson, Fred Burritt, and Rolland Sheppard.

There being no other business, the meeting adjourned at 10:00 p.m.

  
John Hawkins, Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MEETING HELD AT THE BOB PHILLIPS HOME JAN. 29, 1974, with all members present.

Chairman Phillips called the meeting to order at 8:00 p.m. The secretary read the minutes of the last meeting, and the minutes were approved as read.

The secretary presented the Board with financial reports for December and January, ~~noting~~ noting that \$5,000 had been placed on deposit with Delta Savings & Loan Association as per instructions at last meeting. MOTION by Fischer, SECOND by Burritt that the financial report be accepted and bills be ordered paid. MOTION CARRIED.

Bert Hoyer was present to discuss drawing an agreement to supply water to his Timberline Subdivision. After considerable discussion it was moved by Burgess, second by Burritt that the Association build a



Jan 29, 1974, minutes, cont'd.

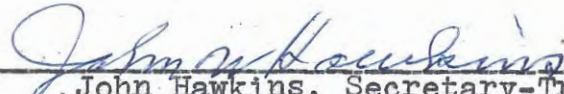
main 4 inch line from the present main line westerly across the Sub-division as described by the plat of said Subdivision; that Mr. Hoyer pay the Association \$5,000.00 -- \$3,000.00 when pipe is placed on property and \$2,000.00 when construction begins. The Association to owe Mr. Hoyer three memberships in the Association as per terms of the Association's 18-month deferred membership policy. MOTION CARRIED.

There was discussion of possibly purchasing water rights owned by Mr. Hoyer in the Cedar Mesa Reservoir. Mr. Hoyer stated that he did not wish to sell at this time but that he would give the Association first chance if he did decide to sell.

There was discussion concerning claim for unemployment compensation for Ray Ware through the State Dept. of Labor. Discussion was to whether or not to protest the claim. Decision was not to protest.

Hawkins stated that Mr. George Zimmerman and Mr. Ray Bingham were considering developing the Sage and Cedars Subdivision and that they will be asking for a meeting with the Board soon.

There being no other business, the meeting adjourned at 10:00 p.m.

  
John Hawkins, Secretary-Treasurer

SPECIAL MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSN., FEB. 19, 1974, AT BOB PHILLIPS HOME

Board members present: Phillips, Burgess, Fischer & Hawkins.

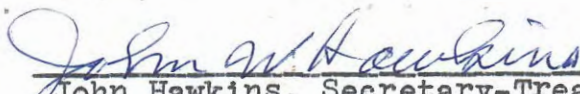
Because of the short time since the last meeting, the minutes and financial statement were deferred.

Ray Bingham and George Zimmerman were present to negotiate for water for the Sage and Cedars Subdivision which they are planning to develop into a retirement settlement. They plan 22 to 24 units initially with a future potential of approximately 200 units.

After considerable discussion it was MOVED by Fischer, SECOND by Burgess to give Mr. Bingham and Mr. Zimmerman a letter of intent to serve the Subdivision and that the Secretary be instructed to work out a tentative agreement with them. MOTION CARRIED.

Hawkins stated that he had had inquiry from Warren Hall regarding availability of water for a proposed hog farm near Payne Siding south of Redlands. He also told of rumors but no direct contact concerning Cross-Roads Subdivision on Redlands Mesa. Water and line facilities at this point are a problem.

There being no other business, the meeting adjourned at 9:45 p.m.

  
John Hawkins, Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION MEETING HELD AT THE BOB PHILLIPS HOME MAY 1, 1974, with the following Board Members Present:

Bob Phillips, Floyd McPherson, Edwin Fischer, Porter Sheppard and John Hawkins. *Burgess*

Chairman Phillips called the meeting together at 8:00 p.m. Minutes of the previous meeting were read and approved.

The financial report was presented by Secretary-Treasurer John Hawkins. MOTION was made by Fischer, SECOND by McPherson to accept the financial report. MOTION CARRIED.

There was some discussion about the pipe that is stored in the Cedaredge Trades Building and the rent being paid there. It was felt that we should have a shed of our own some place to avoid the high rent and inconvenience of the present location. Hawkins was instructed to prepare some plans and cost estimate of a suitable shelter at his home and to report at the next meeting.

Hawkins reported that the Hoyer Subdivision line was about ready to be installed and that some progress was being made towards extending that line to the Glen Muck property. There was a fairly firm commitment for from \$4,000 to \$6,000 to be applied on the extension of about 1500 feet. After some discussion it was MOVED by McPherson, SECONDED by Sheppard to proceed with the Muck Extension if the money committed was received. MOTION CARRIED.

A bid was received from Ray Bingham offering to contract the installation of the Hoyer line plus the Muck Extension. The bid was for \$2,387.00 for approximately 3,000 feet. MOVED by Sheppard, SECOND by McPherson to let Bingham have the contract with a time limit and a work guarantee. MOTION CARRIED.

Floyd McPherson made a MOTION, Fischer SECONDED, that, due to increased cost of transportation the mileage for operation and maintenance of the system be increased to 20¢ per mile. MOTION CARRIED.

There being no other business to come before the group, the meeting was adjourned by Chairman Phillips at 10:00 p.m.

*John W. Hawkins*  
John Hawkins, Secretary

BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION OF JULY 22, 1974, AT BOB PHILLIPS HOME.

Board Members present: Phillips, Burgess, Sheppard, Fischer, Burritt, Hawkins.

Chairman Phillips called the meeting to order at 8:00 p.m. and called for minutes of the last meeting, which were read and approved.

Hawkins presented the financial statement and bills outstanding. MOVED by Fischer and SECOND by Sheppard that the financial statement be approved and bills be ordered paid. CARRIED.

It was noted that there was a surplus of funds on hand. MOVED by Burgess, SECOND by Burritt that the secretary be instructed to place \$5,000 in the Association's account at Delta Savings and Loan. MOTION CARRIED.

Hawkins reported that the Hoyer Subdivision line was nearly completed and that it was being extended west as far as Glenn Muck's house in order to serve a new tap for Mrs. Helen Freeman Taylor just south of the Muck house. Five taps have been connected to this line and two others have been paid for, for future connection.

A Mr. Thrapp has applied for a tap about 1,000 feet north of Gorrod's corner. It was agreed to construct the line at Mr. Thrapp's expense except that the Association will oversize the line to two inches for possible future use.

Hawkins reported that he had done some figuring on the cost of a shed to store pipe and estimated that a suitable shed would cost about \$450.00. This would be a permanent structure and would belong to the Hawkins property but would be used by the Association rent-free as well as the adjacent building now being used for parts and supplies. MOVED by Sheppard, SECOND by Burritt to build the shed under the above conditions. CARRIED.

There being no other business to come before the board, the meeting adjourned at 9:45 p.m.

  
John Hawkins, Secretary-Treasurer



MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER  
USERS ASSOCIATION MEETING HELD NOVEMBER 29, 1974, AT THE BOB  
PHILLIPS HOME.

Members present: Phillips, Burgess, McPherson, Fischer, Sheppard,  
Burritt and Hawkins.

Chairman Phillips opened the meeting at 8:00 p.m. and called for  
minutes of the last meeting, held on July 22, 1974, which were read and  
approved.

The secretary presented financial statements for the months of  
August, September, October and November, which were discussed and  
approved by MOTION by Sheppard and SECOND by Burritt.

The secretary then presented the end of the year statement of  
operations and the proposed budget for Fiscal Year 1975. After thorough  
discussion and slight revisions to the proposed budget it was MOVED by  
McPherson and SECONDED by Burritt that the statement of operations and  
proposed budget be approved and presented to the stockholders at the  
annual meeting on December 10. MOTION CARRIED.

It was noted that there are a few isolated cases of excessive use  
of water during the peak summer months, some using as much as 200,000  
gallons per month. It was the feeling that the Association was not  
organized for the purpose of supplying excessive water for irrigation  
purposes and to permit this would hasten the necessity of obtaining  
additional water and distribution facilities, causing a large expenditure  
which would be unfair to other stockholders. After considerable discussion  
it was MOVED by Sheppard and SECONDED by Fischer that in an effort to  
discourage excessive use the Board of Directors should change the water  
rate scale as follows: For an amount up to 30,000 gallons per month the  
rate is unchanged; for amounts of 30,000 to 50,000 gallons per month the  
rate is to be 50¢ per thousand gallons; for amounts over 50,000 gallons  
per month the rate is \$1.00 per 1,000 gallons; and that this decision  
be presented to the stockholders at the annual meeting for ratification  
and that all stockholders be notified of the change. MOTION CARRIED.

It was noted that the annual meeting will be held December 10, 1974,  
at 7:30 p.m. at Hunsicker School, the terms of Fischer, Burgess and  
Hawkins expiring.

There being no other business to come before the Board, the meeting  
adjourned at 9:30 p.m.

  
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John Hawkins, Secretary-Treasurer.

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION

R E S O L U T I O N

WHEREAS, the Upper Surface Creek Domestic Water Users Association was designed to supply members within the service area with domestic water and no provisions were made to provide irrigation water, and,

WHEREAS, in recent years it has been found that some users have taken advantage of the cheaper rate for heavy use and are using excessive amounts of water for irrigation at a small cost, and,

WHEREAS, recent growth of the Association and indicated future growth has caused some concern as to future water supply and capacity of the distribution system, and,

WHEREAS action was taken by the Board of Directors at a regular meeting on November 29, 1974, to change the water rates of the Association and this action was ratified by the stockholders at the Annual Meeting of the stockholders on December 10, 1974,

THEREFORE BE IT RESOLVED that, effective April 1, 1975, the water rates of the Upper Surface Creek Domestic Water Users Association be as follows:

FOR ALL USERS on a gravity pressure system and using meters:

Up to 7,500 gallons per month.....	\$10.00		
7,500 to 10,000 gallons per month.....	.70 per	1,000 gal.	
10,000 to 15,000 gallons per month.....	.50 per	"	"
15,000 to 30,000 gallons per month.....	.25 per	"	"
30,000 to 50,000 gallons per month.....	.50 per	"	"
All over 50,000 gallons per month.....	\$1.00 per	"	"

FOR ALL USERS on the constant flow dole valve system:

UNIVERSITY OF CHICAGO  
LIBRARY

THE UNIVERSITY OF CHICAGO LIBRARY  
1215 EAST 58TH STREET  
CHICAGO, ILLINOIS 60637

THE UNIVERSITY OF CHICAGO LIBRARY  
1215 EAST 58TH STREET  
CHICAGO, ILLINOIS 60637

THE UNIVERSITY OF CHICAGO LIBRARY  
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1215 EAST 58TH STREET  
CHICAGO, ILLINOIS 60637

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THE UNIVERSITY OF CHICAGO LIBRARY  
1215 EAST 58TH STREET  
CHICAGO, ILLINOIS 60637

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THE UNIVERSITY OF CHICAGO LIBRARY  
1215 EAST 58TH STREET  
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1215 EAST 58TH STREET  
CHICAGO, ILLINOIS 60637



MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD MARCH 21, 1975, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m., with all members present.

The Secretary read the minutes of the last meeting of the board. The minutes were approved as read.

The financial report was presented, discussed, and approved upon a motion by Sheppard and a second by Fischer.

Hawkins presented the Board with a resolution declaring a change in water rates, the resolution being required by the by-laws of the Association to implement action taken by the Board of Directors at an earlier meeting and ratified by the Stockholders at the Annual Meeting on December 10, 1974. Floyd McPherson made the motion to adopt the resolution; Second by Fred Burritt, and motion carried unanimously.

There was discussion of obtaining additional water for the Association in order to provide for the present and expected future rapid growth. There was discussion of obtaining and repairing the Zig-Zag Reservoir. After considering repair costs and other factors it was felt that this was not in the best interest of the Association. Hawkins stated that he had an offer to sell two shares of Alfalfa Ditch and 16 shares of Leon Lake. The Board did not show much interest in Alfalfa Ditch, but was interested in Leon Lake and moved to instruct Hawkins to offer as much as \$1200.00 for the 16 shares, the motion being made by Burgess and second by Burritt.

Fred Burritt raised the question of rate of pay for Association employees, stating that he felt they were not adequately paid for the time and effort that was being put in. After considerable discussion it was moved by Burritt and second by Burgess that Kathleen Hawkins be paid \$200 per month for Clerk and Bookkeeper, and that John Hawkins be paid \$100.00 per month for managing, \$3.00 per hour for maintenance and construction work, plus 20¢ per mile travel expense. Motion carried.

There being no other business, the meeting adjourned at 9:45.

Respectfully submitted,

John W. Hawkins  
Secretary

MINUTES OF BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD AUGUST 8, 1975 at BOB PHILLIPS HOME

The meeting was called to order by Chairman Bob Phillips at 8:00 p.m. with all board members present.

Minutes of the last meeting were read and approved.

The financial report was presented by the Secretary, reviewed, and approved upon MOTION by Sheppard, and SECOND by Fischer.

It was noted that there was a build-up of cash in the bank and agreed that additional certificates of deposit should be purchased as soon as it can be determined how much can be spared this year.

George Zimmerman was present to again discuss the possibility of supplying water to his 20-lot Sage & Cedars Subdivision on Cedar Mesa. He is now ready to develop this Subdivision and would like to work out an agreement with the Association. After considerable discussion it was MOVED by Sheppard and SECOND by McPherson that we give Mr. Zimmerman a letter of intent to serve his subdivision, but with no guarantee as to the number of taps or the time period in which they could be served. MOTION CARRIED.


Terms of an agreement were discussed, and it was MOVED by Burgess, SECOND by Fischer that the Association install a 4" main line through the Subdivision as laid out on the plat. Mr. Zimmerman is to be given credit for \$1,870.00 that he had previously paid as his share of the pipe cost and that he pay all cost of installation of the main line and all cost of material and installation of all branch lines, service lines, and fire hydrants. The Association will pay the cost of oversizing the main line. Estimated costs to Mr. Zimmerman are \$6,500.00. He is to pay the Association \$4,000.00 when construction begins and the balance when the job is completed and all costs determined, and he will receive memberships in the Association equal to  $\frac{3}{5}$  of that amount but not to exceed 5; said memberships to be issued under the deferred membership policy. MOTION CARRIED.

Mr. Zimmerman agreed to these terms subject to review and approval of the written agreement.

Hawkins reported that Mr. Warren Hall had discussed some plans of his for developing his property below Redlands Mesa and his need for water. His plans were too indefinite to make any commitment at this time.

After general discussion of condition and problems of the Association, the meeting adjourned at 10:00 p.m.

Respectfully submitted,

  
Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION'S MEETING HELD AT THE HOME OF BOB  
PHILLIPS ON DECEMBER 2, 1975

The meeting was called to order by Chairman Phillips at 8 p.m. with board members Phillips, Burgess, Sheppard, McPherson, Burritt, and Hawkins present.

Minutes of the last board meeting were read and approved.

Secretary Hawkins presented the financial statement of the Association, noting that two \$5,000.00 Certificates of Deposit had been purchased, adding \$10,000.00 to the Reserve Account at Delta Savings and Loan Association. This financial report reflects this Water Association's financial position at the end of the fiscal year ending November 30, 1975. It was MOVED by Sheppard, SECOND by McPherson to approve the financial report. MOTION CARRIED.

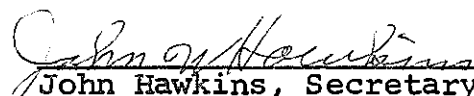
The proposed budget for fiscal year 1976 was presented and discussed. MOVED by Sheppard, SECOND by McPherson that the proposed budget be approved and presented to the stockholders at their annual meeting to be held December 9, 1975. MOTION CARRIED.

Hawkins reported that the new line through Mr. George Zimmerman's "Sage & Cedars" Subdivision had been completed, consisting of about 3,300 feet of 4" main line and service lines to all lots. This was all done at Mr. Zimmerman's expense except over-sizing of the main line, and settlement has been made.

It was noted that the Annual Stockholder's Meeting would be held December 9 at the Hunsicker School in Cedaredge at 7:30 p.m. and that the terms of Phillips, McPherson, Sheppard and Burritt expire at this time.

There being no further business to come before the Board, the meeting adjourned at 9:30 p.m.

Respectfully Submitted,

  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION'S MEETING HELD AT THE HOME OF BOB  
PHILLIPS ON FEBRUARY 15, 1976

The meeting was called to order by Chairman Bob Phillips at 8:00 p.m. with board members Phillips, Burgess, Burritt and Hawkins present.

Minutes of the previous meeting were read and approved. Copies of financial statements were studied, discussed and approved upon motion by Burritt and second by Burgess.



Feb. 15, 1976 meeting, cont'd.

Hawkins explained that he had received applications for two new taps on Cedar Mesa south of Mrs. Leota Amos, one tap being for a new house being built by Mrs. Amos, and the other by Mr. and Mrs. Don G. Miller. The line which dead-ends at Mrs. Amos's place is inadequate to accommodate these taps so it would be necessary to tie to the 4-inch line at the south end of Sage & Cedars Subdivision. Hawkins felt that if this line were to be extended it might be well to complete the loop to tie into the lower Cedar Mesa line at the Gordon Jones corner, which has been a part of the long range plan for some time. He stated that Mrs. Amos and the Millers were willing to purchase a membership each and contribute an additional \$1,000.00 each toward construction of the line. Floyd McPherson had stated he would purchase another tap if the proposed loop was completed. Delta County Co-op Telephone Company asked if they could lay telephone cable in the entire line and they would be willing to contribute 20% per foot toward trenching cost. It was anticipated that with money on hand and anticipated collections the next two months, this project could be completed without tapping the Reserve Fund, and it would be a valuable addition to the system. Estimated cost is \$11,000.00.

After considerable discussion, it was moved by Burritt that this line be completed and should include the phone line. Second by Burgess. Motion carried.

There was general discussion of the system with no immediate problems.

The meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
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John Hawkins, Secretary

MINUTES OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, JUNE 2, 1976, AT BOB PHILLIPS HOME.

Board members present: Phillips, McPherson, Sheppard, Fischer, Burritt and Hawkins. Burgess absent.

The meeting was called to order by Chairman Phillips at 8 p.m. Minutes of the February 15, 1976, meeting were read and approved. The financial statements were presented, discussed, and approved by motion from Sheppard and second by McPherson.

Hawkins stated that he was having trouble with Robert McMillin in getting stock transferred and that he had obtained legal counsel from Allen Brown, and that it is working out okay.

The main line below Sage and Cedars Subdivision is completed, which makes a completed 4-inch loop from the north end of Sage and Cedars to the Gordon Jones corner with 3 new taps. This line makes it possible to separate the west and south Cedar Mesa area from the north and east Cedar Mesa and Redlands line providing continuous flow through both lines and eliminating a rust collection problem in the Surface Creek Valley line.

A letter was received from Attorney Richard Johnston representing Adair Roberts complaining that the Association had allowed Ray Bingham to install a water line to his Panorama Heights Subdivision over the Association easement through Roberts' property and that the right of way had not been properly cleaned up and maintained, causing a certain amount of damage to his property. It was agreed that the responsibility was largely Mr. Bingham's but that in order to avoid a confrontation, the Association would proceed immediately to clean it up and do all that is reasonable to satisfy Mr. Roberts.

Eddie Fischer reported that there was a request for a new line to serve potentially three or more homes just east of his home, this property being owned by Lynn Sanburg and others. About  $\frac{1}{2}$  mile of line is required. One of the owners is an employee of Vail Associates, the company who is installing the Cedaredge sewer system, and they are willing to do the installation and pay all costs. Moved by McPherson, second by Burritt that this line be permitted and become a part of the Association's system, with a two-inch minimum required. Motion carried.

A matter of a private line installed in 1970 by Wick, Shugren, and Sabol was brought up. There are one or more taps planned that can be conveniently served by this line but cannot be without permission from the owners. Hawkins reported he had discussed with Mr. Wick the possibility of the Association assuming responsibility of the line. Mr. Wick thought they may be willing, since Mr. Shugren is no longer the owner; Mr. Sabol is in poor health and attempting to sell; and Mr. Wick is in poor health; however, he felt the Association should reimburse them for their cost in the line. It was agreed by the Board that we would be willing to take over ownership and responsibility for the line, but that we would not be willing to pay them for it since all other members are required to pay for their lines. Hawkins will discuss it further with Mr. Wick.

A question regarding the possibility of raising the membership fee was brought up. It was noted that the membership fee could not be

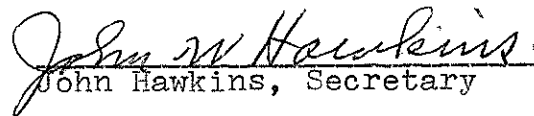
June 2, 1976, continued:

raised without amending the By-laws. Hawkins noted that we had not been charging an installation fee and that he felt we should charge enough to cover cost of main line connection, meter, meter pit, valves, labor, etc. This would amount to about \$200.00. Moved by Sheppard, second by Burritt, to charge a \$200.00 installation fee on all new taps. Motion carried.

Hawkins raised the question of new taps on Redlands Mesa, stating that he had been receiving a great many inquiries recently regarding the availability of taps. The system is not capable of handling but very few more than we now have and to accommodate very many more a major revision of the system would be necessary. Alternatives for the system include: (1) Borrowing a large sum of money and rebuilding the entire Redlands system; (2) Borrowing a smaller sum of money and start rebuilding in stages; or (3) No major rebuilding at all and declare a moratorium on new taps on Redlands. It was decided that no action be taken at this time to plan for any major improvement on Redlands and that Hawkins use his judgement as to how many new taps could be added to the present system and where they could be located, with preference being given to established farms.

There being no further business to come before the Board, the meeting adjourned at 10 p.m.

Respectfully submitted,

  
John Hawkins, Secretary



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, JULY 22, 1976, at CEDAREEDGE TOWN HALL.

Members Present: Phillips, McPherson, Burgess, Sheppard and Hawkins.

The meeting was called to order by Chairman Bob Phillips at 8 p.m.

Minutes of the last meeting were read and approved.

The Secretary presented the financial report which was discussed and approved upon a motion by McPherson, and second by Burgess.

Hawkins stated that he had had an inquiry about supplying water to a proposed 15-unit trailer park on Joe Gilbert property on Muck Lane near the end of the existing 4-inch line. Should the park be served, and, if so, a service and charging policy should be set.

After considerable discussion it was moved by Sheppard and seconded by McPherson that we offer to serve the trailer park, the policy being that the owner purchase one membership in the Association at the price in existence at the time of purchase, and that they pay the Association a fee of \$500.00 for each trailer site in the park and a \$10.00 monthly charge for each site whether being used or not and that the park be served by one master meter to be paid for by the owner and maintained by the Association. Motion carried.

A matter of a private water line installed in 1970 by Wick, Shugren, and Sabol was brought up. There are new homes wishing to tie onto this line to avoid building a new parallel line and crossing the highway again, with the possibility of the Association assuming responsibility for the line. Moved by Burgess and seconded by Sheppard that the Association be willing to assume responsibility for the Wick, Shugren, and Sabol line provided a suitable agreement can be worked out. Motion carried.

Heavy water usage this summer caused consideration of storage for the system, possibly a reservoir at the head of our system or a joint reservoir with the town of Cedaredge. Discussion delayed until a joint meeting with the Cedaredge Town Council later in the evening.

Hawkins stated that in order to utilize the storage tank on Cedar Mesa a new line would need to be built from the tank south about 1,000 feet paralleling the existing line. Approval was given for the work.

Hawkins also stated that he was having some trouble with high pressure surges on the plastic lines in the lower Surface Creek area. He felt that situation could be improved by new pilot controls on the main line regulators and pressure regulators placed on the plastic lines. Approval was given for this.

There being no other business, the meeting adjourned to a meeting with the Cedaredge Town Council.

  
John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD OF DIRECTORS MEETING OF Oct. 12, 1976

The meeting was held at the home of Bob Phillips. All Board members were present.

The meeting was called to order by Chairman Phillips at 8:00 p.m.

Minutes of the last meeting were read and approved.

The financial report was given by the secretary. After discussion, it was moved by Burgess, seconded by McPherson, to approve the financial statement and to place \$10,000.00 in the Reserve Fund at Delta Savings and Loan. Motion carried.

A request from Dan Jones to waive the installation charges on a tap he planned to purchase was discussed and denied.

The matter of the Wick, Sabol and Shugren (now Margis) line was brought up. An agreement has not yet been reached on this line. It was moved by Sheppard, seconded by Fischer, that we notify the three owners that if the three proposed new taps could be tied to this line, making a total of six, that the original cost of \$1,200.00 could be pro-rated among the six and that the Association would reimburse the original owners \$200.00 each less what may have been paid, if any, to the owners by prospective members; and that the Association would assume ownership and responsibility of operation and maintenance of the line; or, that the Association would remove the two new taps placed on the line and no new taps would be permitted on that line. Motion carried.

Some of the Board members had attended a meeting with the Cedaredge Town Council where Attorney Allen Brown and some Council members questioned the Association's percentage of ownership and carrying capacity in the common line to Grand Mesa. Service boundaries and storage reservoirs were also discussed. A committee from each group will meet for further discussions.

As a result of this meeting the law firm of Colosky and Briscoe was engaged to write an opinion on the agreements between the Association and the Town of Cedaredge. This opinion has been received and was presented at this meeting. The opinion of this law firm is that the Association does own one-fifth interest in the common line and gathering system and one-fifth carrying capacity in the system.


A committee of Phillips, Sheppard and Hawkins was named to meet with the Town committee.

It was moved by Burritt and seconded by Fischer that the Association obtain the law firm of Colosky and Briscoe as our legal council. Carried.

Frank Calkins has brought to our attention a possible discrepancy in the right of way description where the pipe line goes through his property. Hawkins is to look into it and see what needs to be done to correct it.

It was noted that the annual stockholders' meeting will be held December 14, 1976, pursuant to the by-laws of the Association.

There being no other business, the meeting adjourned.

  
Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION MINUTES OF MEETING OF BOARD OF DIRECTORS, DECEMBER 6, 1976, AT THE BOB PHILLIPS HOME

The meeting was called to order by President Bob Phillips at 8 p.m. All board members were present.

Minutes of the previous meeting were read and approved as read.

A financial statement was presented by the secretary. Moved by Sheppard, second by McPherson, that this financial report be accepted. Motion carried.

It was noted that the annual meeting would be held December 14, at 7:30 p.m. in the High School gymnasium at Cedaredge. Director terms expiring this year would be John Hawkins, Herschel Burgess, and Eddie Fischer.

The secretary presented the end of the year financial statement and the proposed budget for the coming year. After considerable discussion it was moved by Sheppard, second by McPherson, that the budget be accepted by the Board to be presented to the stockholders at the annual meeting for ratification.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Secretary-Treasurer

MINUTES OF THE BOARD OF DIRECTORS MEETING HELD JANUARY 14, 1977, at the Bob Phillips home.

The meeting was called to order by President Phillips at 7:30 p.m. Board members present were: McPherson, Burgess, Sheppard, Burritt, Hawkins.

Reading of the minutes of the last meeting were suspended, as they were still in the possession of the auditor.

The financial report was presented by the Secretary. It was moved by McPherson, Second by Burgess, that the report be approved. Motion carried.

Hawkins stated that there had been a freeze-up on the Mack Gorrod line between Gorrod's house and his meter pit, and that Mack had stated that the Company had agreed at the time of installation of the line that the Company would maintain that portion of the line. It was the opinion of the Board that this was probably correct, and it was moved by Sheppard, second by Burritt, that the Association pay Mr. Peterson for thawing the line. Motion carried.

Hawkins presented a quotation from Melvin Doughty of Doughty Steel and Machine Co. for the construction of a water tank on the upper end of the system. The price quoted for a 250,000 gallon tank was \$45,473.00. Doughty also stated that for an additional \$3,729.00,



(Meeting of Jan. 14, 1977, continued)


the capacity could be increased to 335,000 gallons for a total price of \$49,202.00. After considerable discussion it was moved by Sheppard and seconded by Burritt that we purchase the larger tank and that the president and secretary be authorized to enter into an agreement with Doughty Machine & Steel for this project. Motion carried.

It was moved by McPherson, and seconded by Sheppard that Hawkins negotiate with Darrel Geyer for access to the tank site including bridge improvement over Milk Creek. Motion carried.

Hawkins stated that a party by the name of Ireland had requested information regarding from one- to - three taps on the McCoy extension of the Cactus Park line. It was moved by McPherson, second by Sheppard to allow as many as 3 taps provided Ireland build a service line to the Cactus Park line where it has sufficient capacity. Motion carried.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Sec.-Treas.

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MINUTES OF MEETING HELD MARCH 23, 1977, AT THE BOB PHILLIPS' HOME

Board Members present: Phillips, McPherson, Burgess, Sheppard, and Hawkins.

The meeting was called to order by Chairman Phillips at 8:00 p.m.

Minutes of the January 14 meeting were read and approved as read.

The Secretary presented the financial statement, which was approved on a motion by McPherson and second by Burgess.

There was discussion about the proposed agreement revisions between the Association and the Town of Cedaredge.

Hawkins stated that the Association's attorney had suggested that the former agreement should be scrapped and an all new agreement should be prepared. The Board agreed. Questions about the proposed revisions to existing agreements as presented by the Town were raised. Quality of water introduced in the line should apply to both parties and who is to judge quality. The word purchase or acquire should be stricken.

The matter of the current drought and its effect upon the water supply for the system was raised. The Secretary was instructed

(Meeting of March 23, 1977, continued):

to send letters to all members advising them of this pending water shortage and asking them to apply conservation measures where possible.

It was suggested that the dole valves on Redlands Mesa could be reduced to the original 1 quart dole if necessary. After discussion, it was moved by Sheppard and second by Burgess that if it becomes necessary, the Redlands Mesa doles be reduced to the original 1 quart per minute and that all new taps, if any, be installed with 1 quart doles. Motion carried.

There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
John Hawkins, Secretary-Treasurer

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, MINUTES OF BOARD OF DIRECTORS MEETING OF APRIL 26, 1977, AT HOME OF FLOYD McPHERSON.

Board members present: McPherson, Burgess, Sheppard, Burritt, and Hawkins.

The meeting was called to order by Vice-Chairman Fred Burritt at 8 p.m.

Minutes of the previous meeting were dispensed with, since the secretary had inadvertently left them at home.

The financial statement was presented and studied. It was moved by Burgess, second by McPherson, that the financial statement be approved as presented. Motion carried.

Dave Stites was present to express displeasure with Hawkins's request that the service line to his new home should be installed to a larger capacity main line, rather than to a smaller capacity line which was closer to his home. The Board agreed that since the smaller line was heavily loaded, the line should be built to the larger line and that it should run along the County road rather than cross a vacant lot of a disinterested party. Mr. Stites agreed to the decision.

It was noted that during the critical water shortage of the past several days, several of the Board members had met informally and instructed that notices be sent to all users prohibiting the use of water for outside watering. Hawkins stated that people had cooperated exceptionally well and since the flow was starting to increase, new notices should be sent out to permit limited watering. Motion to that effect was made by McPherson and second by Burgess. Carried.

It was moved by Burgess and seconded by Sheppard that a moratorium be placed on the sale of new taps except those that have been applied for, until the water situation improves. Motion Carried.

Hawkins stated that Paul Thompson had purchased a tap for his

(Meeting of April 26, 1977, continued)


new home to be placed on the existing line to Ralph Thompson home. Since this line is of insufficient size and quality, it will be necessary to install a new line from the main line, and would this not be a good time to upgrade this line all the way to Ralph Thompson's. Paul had indicated he would do the trenching if the Association would participate in the line. It was moved by Sheppard, second by Burgess, that since this was a company line and since it is the intent to convert all the Dry Creek users from dole to meter as a first stage of upgrading the Redlands system, that the Association agree to furnish the pipe for this entire project. The Association also to furnish the meter for Ralph Thompson and Ralph Thompson to furnish the pressure regulator. Motion carried.

Hawkins reported that Archie Peterson had started preparing the base for the new storage reservoir and that Doughty Steel was ready to start erecting the tank. Also, a large culvert has been placed in Milk Creek for better access to the tank.

The matter of salaries and wages was brought up. After some discussion it was moved by Burgess and seconded by McPherson, that the salary for Kathleen Hawkins be raised from \$200.00 to \$300.00 per month immediately, and that raises for management and labor be delayed and determined at the next meeting. Motion carried.

There being no further business, the meeting adjourned at 10 p.m.

Respectfully submitted,

  
John Hawkins, Secretary-Treas.

Minutes of Board meeting of May 27, 1977, at the Bob Phillips home.

Present: Phillips, Burgess, Sheppard, Fischer, Burritt, Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m. Minutes of the previous meeting were read and approved as read.

The financial report was read and was approved on a motion by Fischer and second by Sheppard.

Mark Welsh and F. C. Teal from Redlands Mesa were present to complain that when their taps were installed they only received 10,000 gallon-per-month doles. After considerable discussion, it was moved by Burritt and Second by Sheppard that because of the severe water shortage all doles on Redlands Mesa be reduced to 10,000 gallon. Motion carried.

There was disussion of new taps. It was agreed that no new taps be allowed until the moratorium was lifted.

It was noted that the new water tank was nearing completion and we should decide whether to draw money from savings or to borrow against it. Moved by Sheppard, Second by Burrit to draw the money out.



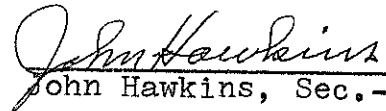
May 27, 1977, continued

The question of water supply was raised. It was felt that if the drought should continue, we would not have enough water to maintain the system even with strict restrictions. It was stated that reservoir water was available at \$200.00 per second foot, and that we should buy some. Moved by Burritt, Second by Fischer to purchase at least 20 second feet if available. Motion Carried.

It was moved by Sheppard, Second by Fischer that, if enough water can be obtained, to lift the moratorium on new taps. Carried.

There being no other business, the meeting adjourned at 10 p.m.

Respectfully submitted,

  
John Hawkins, Sec.-Treasurer

MINUTES OF THE BOARD OF DIRECTORS MEETING OF JULY 25, 1977, held at the home of Bob Phillips.

Board members present: Phillips, Sheppard, McPherson, and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

The minutes of the last meeting were read, and approved as read.

The financial statement was presented by the Secretary and studied; it was approved upon a motion by Sheppard, with a second by McPherson.

The Secretary reported that Doughty Steel and Machine had decided they would need the balance of their money on the tank at this time, and that arrangements had been made to withdraw \$33,484.13 from Delta Savings and Loan reserve account to pay Doughty.

Hawkins reported that he had been having a lot of trouble with the chlorinator and had been unable to get repairs and that a new chlorinator had been ordered.

It had been discovered that two houses were being serviced by one membership on the Schindelar property on Cedar Mesa and that they were objecting to purchasing a second membership. The Secretary was instructed to write a letter to the Schindelars notifying them of the Board's decision that they would be required to purchase another membership or service would be discontinued.

It was agreed to allow a new membership for Mr. and Mrs. Weatherly as the spring they were using was proving unsatisfactory.

Hawkins reported that upon search for water loss, the loss had been found in an open pipe ahead of the meter at the Mann Rowley residence. This situation was corrected, and a new meter was installed on the line upstream from the Rowleys to check for further violations.

There was discussion of the Muck Lane line which had been proposed for a number of years. Hawkins stated that there were a few people on

July 25, 1977, cont'd:

the line desperately in need of water and that he felt he could probably get 13 or more taps which would be sufficient to pay the entire cost of installing this line. Moved by Sheppard, Second by McPherson, that if 13 taps could be obtained, to proceed with installation of this line. Motion carried.

There was discussion of the possibility of using drought assistance money from F.H.A. for further improvements on the system. No action was taken.

There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

John W. Hawkins  
Secretary

Minutes of Board meeting of November 11, 1977, held at Bob Phillips home:

Members present: Phillips, Burritt, McPherson, Sheppard, Burgess and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

Minutes of the previous meeting were read and approved. The financial statement was presented and studied. Moved by Burgess, second by Burritt, that the financial statement be approved. Motion carried.

The Secretary presented a letter from George Zimmerman requesting a guarantee that taps would be available as needed in his Sage and Cedars Subdivision. It was agreed that this would not be in the best interest of the Association, and it was moved by McPherson, seconded by Burritt, that a letter be sent to Mr. Zimmerman denying his request. Motion carried.

The Secretary reported that Joe Quintana, living in Panorama Subdivision, had requested that the Association reimburse him for repairs to a stereo set which he claimed was damaged while the Association was repairing a water line and struck a power line. It was moved by Burgess, second by Sheppard, that this request be denied. Motion carried.

Hawkins reported that work was progressing on the Muck Lane extension and that he had received payment for 11 taps, which was sufficient to continue the loop and tie into the existing line on Rowbotham Lane, and that the west extension to Highway 65 may be delayed until further taps are sold.

There was discussion as to what to do about up-grading the Redlands Mesa lines. Hawkins was asked to prepare some estimates for cost of upgrading the entire Redlands system; and also for piece-meal improvements.

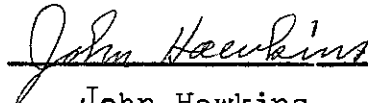
Hawkins was asked to check with Attorney Colosky on the need

Nov. 11, 1977, meeting, continued

to change the Articles of Incorporation if the Redlands system was to be converted to a pressure system; also on the change of permitted use of excess water when available; and, the Town of Cedaredge's installation of tap or taps on the common line.

It was noted that the annual meeting would be held on December 13, at the Legion Hall in Cedaredge, at 7:30 p.m. Directors terms expiring would be Phillips, McPherson, Sheppard, Burritt and possibly one to fill the unexpired term of Edwin Fischer, as he may be resigning due to ineligibility.

There being no further business, the meeting adjourned at 9:30 p.m.



John Hawkins,  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS, MEETING HELD DECEMBER 10, 1977, AT THE HOME OF BOB PHILLIPS.

Members present: Phillips, Burgess, McPherson, Sheppard, ~~Burritt~~ and Hawkins.

The meeting was called to order at 8 p.m. by Chairman Phillips.

Minutes of the last meeting were read, and approved as read.

The financial statement was presented and discussed, and approved upon a motion by Burgess, second by Sheppard.

The secretary then presented the Board with a statement from the Town of Cedaredge covering our share of the cost of installation of the new line into Kehmeiers' Stream on Grand Mesa, and for other miscellaneous operating expenses on the common line. It was noted that the Town of Cedaredge had charged the Association for time and mileage on the Cedaredge line when their water was momentarily shut off by our workmen and time was spent by their workmen getting their line back into operation. It was also noted that the Association's line had been shut off by Cedaredge workmen probably twice and admitted to once, causing an equal or greater amount of work by Association workmen than had been caused to the Cedaredge workmen.

Moved by Sheppard, second by McPherson, that the Town of Cedaredge bill be paid in its entirety, but to make note to Cedaredge that the portion regarding the Cedaredge water shut-off is being paid under protest. Motion carried.

There was discussion of the large number of stock transfers that were being made by the Association and the additional work that was being caused by these transfers. It was moved by Sheppard, second by McPherson, that a \$5.00 transfer fee be made for the stock transfers. Motion carried.

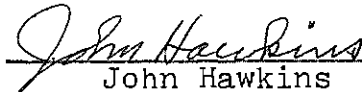
December 10, 1977 meeting, continued:

Chairman Phillips reported that he had had some communication with the Town of Cedaredge on the filtration plant they are planning to install, and that he had discussed briefly with them the possibility of the Association's becoming a part of this plant. It was agreed that this matter should be included on the agenda at the Annual Stockholder's Meeting on December 13, to receive some input from the stockholders.

Hawkins presented the Board with a proposed budget for 1978, which was discussed. Major changes over previous years include an increase in salaries. The Board agreed to leave the figure of \$15,000 for salaries in the budget, but to amend the budget to include \$1,000 for mileage. Moved by McPherson, second by Sheppard that the budget as amended <sup>and</sup> recommended to the stockholders at their annual meeting. Motion carried.

There being no other business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
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John Hawkins  
Secretary-Treasurer



UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION BOARD OF DIRECTORS  
MEETING DECEMBER 20, 1977, AT BOB PHILLIPS HOME

Members present: Phillips, Sheppard, McPherson, Kline, Burritt, Hawkins.

Chairman Phillips called the meeting to order at 8:15 p.m., and called for the minutes of the last meeting, which were read and approved as read.

Hawkins reported that the Muck Lane extension was progressing slowly because of extremely rocky and hard digging, but that if the good weather continued a while longer, the project should be completed soon.

At the request of Chairman Phillips, Hawkins had consulted the Association's attorney, Jim Colosky, and had received a written statement from him stating that it was his opinion that the Association should attempt to co-operate with the Town of Cedaredge in an attempt to construct a filter plant suitable for both parties on the common line. The Board generally agreed. Phillips telephoned Wesley England of the Orchard City Water system and made an appointment for our Board to inspect their filtering plant they had recently installed. This trip was set up for December 22.

Also, a meeting was arranged with the Cedaredge Town Council for December 27.


After discussion of general upgrading of the system, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 22, 1977.

The Board of Directors met with Wes England and inspected the Orchard City filtration plant. Members present were Phillips, McPherson, Sheppard, Burgess, Burritt, and Hawkins.

After inspection, it was decided to get prices for a plant of this type suitable for the Association's need, in case negotiations with the Town of Cedaredge should fail.

  
John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 27, 1977.

The Board met with the Cedaredge Town Council at the Town Hall.

Ray Schuster, engineer for the Town, was called upon to make a presentation. He indicated that he had not prepared for the meeting, but he did state that the Town had plans to build a filter plant on the Cedaredge line on the Don Petersen place. He said it probably could

(over)

(Dec. 27, 1977, meeting, continued):

be moved up to the Hamilton place to serve both systems at an estimated additional cost of approximately \$70,000.00. Town Council members indicated that any additional cost would have to be borne by the Association. No action was taken. Another meeting was to be held at a later date.

The Board then adjourned to another room for a short meeting. Hawkins stated that he had received verbal price quotations from Filtronics for filter plants suitable for the Association's purposes. Prices for suitable sizes range from \$17,000.00 to \$30,000.00 for a unit and it was felt that the entire installation could be put in for \$50,000.00 or less. We are to get firm quotes and more information from Filtronics by mail.

There was discussion about the Assembly of God Church Camp having expressed interest in obtaining water from the Muck Lane line. There was not enough information to take any action.

Meeting adjourned at 10 p.m.

  
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John Hawkins, Secretary

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD MARCH 2, 1978, AT THE BOB PHILLIPS HOME.

Board members present: Phillips, Burgess, Sheppard, Kline, Burritt, and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

The Secretary read the minutes of the last meeting, which were approved as read.

The financial statements were distributed, discussed, and approved upon a motion by Burritt, and a second by Sheppard.

David Seivers of Redlands Mesa was present. He had previously requested the purchase of two memberships in the Association. However, he protested the payment of monthly charges after purchase if taps were not put into operation, and he asked for a variance from this policy. After considerable discussion, the Board told Mr. Seivers that no variance will be granted.

Mr. and Mrs. Ira Hutchinson attended the meeting to present plans

(March 2, 1978 meeting, continued.)

for the "Far View Subdivision" which they are planning to develop. Mr. Carl James, representing engineer Ray Schuster, was also in attendance for the Hutchinson presentation. They requested water service to the subdivision from this Association.

After considerable discussion, it was moved by Burritt, seconded by Burgess, that we give the Hutchinsons a letter of intent to serve the subdivision, assuring them, however, that no guarantee be made for service in the future except to memberships that have actually been purchased. Motion carried.

Hawkins stated that Marvin Walden was making application for membership and it was to be for a migrant housing development of some kind, and Hawkins questioned if a policy of some kind needs to be established for this kind of a development. It was agreed by the Board that if it was to be used only for seasonal migrant fruit workers, that only one membership would be necessary; but, if it should be used for year-round housing, some other arrangement will be necessary.

Hawkins also stated that the Delbert Weatherlys had purchased a tap and that it had been installed this winter. It had just recently been learned, however, that the Weatherlys had entered into an agreement with Andy Rugloski whereby in exchange for a right of way from Rugloski, they had agreed to allow a pipe line from the Rugloski springs water system be left attached to the Weatherly home and the Weatherlys would supply Rugloski with water from the Association, thus violating: (1) The policy of the Association regarding serving more than one household on one membership; (2) Violating regulations from the State Health Department regarding cross-connections on water systems which would permit low quality, un-treated water to be mingled with high quality, treated water. Hawkins stated that he had been in communication with the Weatherlys; their attorney, Tim Jones; and with the Association's attorney, Jim Colosky; and with Charles Willett, attorney who drew up the agreement between Rugloski and Weatherly. The attorneys all agree that parts of the agreement could not be held valid and that steps would be taken immediately to correct the situation.

Hawkins then explained to the Board problems that had been arising as a result of water charges being made to tenants instead of landlords, where tenants move out unannounced and leave unpaid bills, thus causing a hassle between the Association, the owners, and the tenants in collecting the unpaid bill. He requested a policy be established whereby only the owner of the membership be charged for the water service. It was moved by Burgess, second by Kline, that the Association adopt a policy for charging the owner of the membership only for water service to his property. Motion carried.

*Policy on rent, had long in process*

The matter of increasing the membership fee was brought up by Sheppard. He stated that he felt the rapid increase in membership is going to necessitate large expenditures for improvements to the system to accommodate the new members, and he felt that the new members should be largely responsible for meeting these costs.

(March 2, 1978 meeting, continued)

After a great deal of discussion, it was moved by Sheppard, second by Burritt, that a special stockholders meeting be called as soon as arrangements can be made in compliance with the By-Laws of the Association for the purpose of consideration of increasing the membership fee in the Association. Motion carried.

It was then moved by Sheppard, second by Burritt, that the Board recommend to the stockholders that the membership fee be increased from the present \$1,000.00 to \$2,500.00. Motion carried.

It was moved by Sheppard, second by Burgess, that a moratorium be placed on membership sales effective the date of publication of the notice of special stockholders meeting called for the purpose of consideration of increase in membership fee. Motion carried.

There being no other business to come before the Board, the meeting adjourned at 10:30 p.m.

  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION MEETING HELD MARCH 23, 1978 AT THE HOME OF BOB PHILLIPS.

Chairman Phillips called the meeting to order at 7:30 p.m. with all members present.

Minutes of the last Board meeting were read and approved as read.

There was no complete financial report since the February report had been given on March 2.

Hawkins reported that after the last meeting he had studied the By-Laws and had determined that there were several amendments that should be made while we are amending the By-Laws, and that he had discussed this with Chairman Phillips and Attorney Colosky, and that Colosky had prepared a draft of the amendments and also a draft of the notice of the special stockholders meeting. Copies of these were distributed among the Board members.

The proposed amendments concerned: Membership qualification and membership fee; Advance notice of membership meetings; Billing of assessments; and, Converting the Redlands Mesa system from dole valve to pressure. Each item was thoroughly studied and it was MOVED by Sheppard, SECOND by Burgess, that the proposed amendments be included in the call of the special meeting. MOTION CARRIED. Copies of the call of the special meeting and the proposed amendments are attached to these minutes.



*Call of Meeting*

*Kathleen*

NOTICE OF SPECIAL STOCKHOLDER'S MEETING  
OF  
UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

NOTICE is hereby given that a special meeting of the stockholders of **Upper Surface Creek Domestic Water Users Association**, a State of Colorado corporation, will be held at the American Legion Hall in Cedaredge, County of Delta, State of Colorado, on May 9, 1978, at 8 o'clock P.M. for the purpose of considering for adoption the following amendments to the corporate By-Laws:

1. ARTICLE III, Section 1, to amend persons entitled to become members from residents to land owners and to increase the membership fee from One Thousand Dollars (\$1,000.00) to Two Thousand, Five Hundred Dollars (\$2,500.00) or as may be otherwise amended by the stockholders present at such meeting.
2. ARTICLE III, Section 4, to grant the Board of Directors the power to change the Redlands Mesa area from a dole valve system to a high pressure system at their discretion.
3. ARTICLE IV, Section 1, to amend the notice period necessary to call a stockholder's meeting from 30 days to 10 days upon mailing of notice.
4. ARTICLE VII, Section 1, to amend the payment date for water charges from quarterly to monthly.

and to transact such other business as may properly come before the meeting or any adjournment thereof.

The exact language or wording of such proposed amendment may be obtained by request from the Secretary of the Association at P. O. Box 447, Cedaredge, Colo. 81413.

DATED this 6th day of April, 1978.

BOARD OF DIRECTORS of  
UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

BY: Robert E. Phillips, President  
John W. Hawkins, Secretary

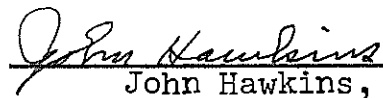
Hawkins reported that in recent months he had had quite a bit of communication with the residents on the upper part of Redlands Mesa not presently served by the Association's system, and that several of them were quite anxious to receive service if possible, and they had circulated a petition requesting service. Hawkins stated that he felt that service to the upper end of the Mesa would serve two purposes: (1) It would serve the residents of the area; and, (2) It would be the first step in up-grading the entire Redlands system. He also stated that he felt it would be physically possible to serve the area now as the result of recent improvements to the system.

After considerable discussion pro and con, it was MOVED by Sheppard, SECOND by McPherson, that we find out how many taps can be sold and report back to the Board at the next meeting. MOTION CARRIED.

There was discussion concerning the advisability of placing a moratorium on new tap sales before the special stockholders meeting. It was MOVED by McPherson, SECOND by Burgess, that the action taken at the March 2nd meeting concerning moratorium be rescinded, and that no moratorium be placed on the sale of new taps before the special stockholders meeting. MOTION CARRIED.

It was MOVED by Sheppard, SECOND by Kline, that the special stockholders meeting be set for Tuesday, May 9, provided a location could be obtained for that night. MOTION CARRIED.

There being no other business, the meeting adjourned at 10 p.m.

  
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John Hawkins, Secretary

MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASS'N, MAY 2, 1978, AT BOB PHILLIPS HOME.

Chairman Phillips called the meeting to order at 8 p.m., members present being Phillips, Sheppard, Kline, Burgess, Burritt, and Hawkins.

The Secretary read the minutes of the previous meeting; they were approved as read.

The financial statement was distributed and discussed and approved upon a motion by Burritt, second by Kline.

Ray Schuster was present, representing the Assembly of God Church Camp, requesting consideration for water service to their camp north of Cedaredge. They requested permission for a 4-inch line to be served by a 2-inch meter, with estimated peak use to be 100,000 gallons per month. There was considerable discussion as to membership fees and policies that should be established for this type of installation, since the By-Laws only provide for memberships for household use.

May 2 meeting, continued

It was moved by Sheppard, seconded by Burgess that action on this request be delayed until after the special stockholders' meeting on May 9, and that at that meeting the stockholders be asked to include in the amendments to the By-Laws language giving the Board of Directors authority to set tap fees and policy for taps larger than 3/4-inch. Motion Carried.

Jack McHugh was present and stated that he was selling some property on the eastern edge of Cedar Mesa and Dry Creek which would require as many as 10 taps or more. Hawkins stated that since this was on the Redlands Mesa supply line, that in order for this many taps to be guaranteed, plans should be made to up-grade the existing line, or build a new line to that area, and Hawkins presented a proposed plan. McHugh stated that he would be willing to purchase 10 taps in order to aid in improvements to the system, and that he would pay all the costs of a 2-inch line to serve the area that he was developing, except about 1/4 mile of this which would be a part of a planned 4-inch line which he also would install if the Association would purchase the pipe. He also offered to donate to the Association 3 shares of Leon Lake water.

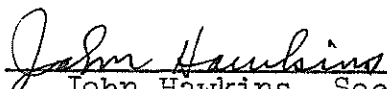
After considerable discussion, it was moved by Sheppard, seconded by Kline, that the Association accept payment for 10 taps, six to be deferred, 4 to be active; and that McHugh install all of the line necessary to serve his development and to pay for all of the pipe necessary except the 4-inch pipe for main line improvement, and provided that he donate to the Association 3 shares of Leon Lake water stock. Motion carried, and McHugh accepted the proposal and made payment for 10 taps at that time.

Hawkins stated that the people on the upper end of Redlands Mesa had made payment for 15 memberships to date, and that there was a possibility of another 1 or 2 before the deadline of May 9. It was moved by Sheppard, seconded by Kline, that the money from Redlands be accepted and that we proceed with the Upper Redlands Mesa project. Motion carried.

Hawkins stated that Gerry Loucks had made a request through Archie Peterson whereby Loucks was planning to build a house directly over the main supply line on Surface Creek, and requested permission to re-locate the water line to by-pass the proposed home site. It was the feeling of the Board that this should not be allowed.

There being no further business, the meeting adjourned at 10 p.m.

Respectfully submitted,

  
John Hawkins, Secretary

SPECIAL MEETING OF THE BOARD OF DIRECTORS, MAY 9, 1978, FOLLOWING THE SPECIAL STOCKHOLDERS' MEETING AT THE AMERICAN LEGION HALL IN CEDAREIDGE.

The meeting was called to order by Chairman Bob Phillips, with all members of the Board being present except Burritt.

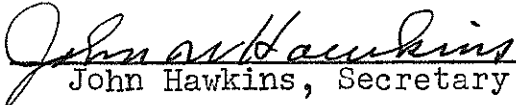
Chairman Phillips stated that the meeting was called at the request of Ray Schuster to take action on the Assembly of God Church Camp request.

After considerable discussion, it was moved by Sheppard, seconded by McPherson, that the Association offer to sell to the Assembly of God Church Camp a water tap to serve the camp through a 4-inch line and a 2-inch meter, for \$10,000.00, with an agreement of understanding that service may be curtailed or discontinued in the event of a severe drouth, water to be charged at the regular rate. Motion carried.

Mr. Schuster stated that he would relay this information to the Church people, and advise us of their reply.

The meeting then adjourned.

Respectfully submitted,

  
John Hawkins, Secretary.

MINUTES OF BOARD OF DIRECTORS' MEETING OF JUNE 12, 1978, AT THE HOME OF BOB PHILLIPS.

All members of the Board were present.

Chairman Phillips called the meeting to order at 8 p.m. He called for the minutes of the last meeting which were read and approved.

The Secretary presented the financial statement which was discussed and approved as presented on a motion by McPherson and a second by Sheppard.

It was noted that there was considerable build-up of funds in the bank which should be placed on interest. It was moved by Sheppard and seconded by Kline that \$50,000.00 be placed in Delta Savings and Loan on 90-day certificates. Motion carried.

There was considerable discussion as to just what construction to plan for this year. It was moved by Burgess, second by Kline, that the Upper Redlands Mesa Extension be completed, and the short line on Cedar Mesa through Lugard and Pastorius be completed, and to then re-assess the situation. Motion carried.

Hawkins stated that upon accepting requests for new taps prior to the May 9 Special Meeting, that he had received commitments for up to 5 taps in the center of Redlands Mesa where proposed new line would be in the up-grading of the Redlands system; that these commitments had been received without a firm commitment in return from the Association that




the requests would be honored. It seemed to be the opinion of the Board that acceptance would not be in line with the intent of commitment to the Upper Redlands line. No formal action was taken.

There was discussion as to whether or not the \$200 tap installation fee should be retained with the new membership fee. It was moved by Burgess, second by Burrirt, that the \$200 tap installation fee be retained. Motion carried.

There being no further business, the meeting adjourned.

Respectfully submitted,

  
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John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING HELD OCTOBER 2, 1978, AT THE HOME OF CHAIRMAN ROBERT E. PHILLIPS.

Board members present: Phillips, Kline, Burgess, Burrirt, and Hawkins.

The meeting was called to order by Chairman Phillips.

Minutes of the last meeting were read and approved.

The financial statement was presented and discussed, and approved on a motion from Burrirt, and second by Kline.

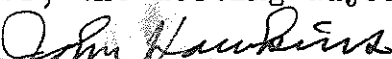
Hawkins read letters from attorney Jim Masson, representing William Meyers, and from attorney Brad Kolman representing Jack McHugh regarding a boundary disagreement between the two which could affect the pipeline recently installed to the McHugh property. It was felt that there was no need for the Association to become involved, at least until the boundary dispute is settled.

Hawkins presented a bill from Don Cramer for pipe storage in the Cedaredge Trades Building and stated that the bill was for a great deal more than was actually due, and questioned if any amount was justifiable. After discussion, it was decided that the Secretary should try to work out an agreement for partial payment in order to clear up the matter.

A proposed contract with the Town of Cedaredge regarding water filtration was discussed together with written comments from the Association's attorney Tim Jones. It was decided that we have Mr. Jones re-write his comments and present them to Cedaredge attorney Jim Brown for consideration.

Hawkins reported that the Upper Redlands Mesa Extension was under construction and he expected to have it completed this fall. He also brought up the matter of the proposed new line to serve the center of Redlands Mesa and to make the existing lines more operable, since this matter had not been adequately disposed of at the last meeting. After much discussion, it was moved by Burrirt, second by Burgess that this not be done. The motion carried with Hawkins voting no.

There being no other business, the meeting adjourned at 10.p.m.

  
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John Hawkins, Sec.

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MINUTES OF BOARD MEETING OF DECEMBER 1, 1978, AT HOME OF BOB PHILLIPS.

Board members present: Phillips, Burgess, Kline, and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

Minutes of the previous meeting were read and approved.

The financial report was presented and discussed, and approved upon a motion by Burgess and a second by Kline.

The Ray Bingham delinquency in Panorama Heights Subdivision was discussed. It was agreed not to press the matter unless taps in the subdivision were transferred to new owners, with substantial payments being made on the indebtedness.

The proposed contract with the Town of Cedaredge for the treatment of Association water through the Town's new treatment plant was discussed. Hawkins reported that the two attorneys had agreed upon language for the contract; the Association now awaiting some action by the attorneys or by the Town.

Hawkins presented the proposed budget for 1979 which was discussed. After some changes it was moved by Burgess and seconded by Kline that the budget be approved for presentation to the stockholders at the annual meeting.

Hawkins reported that there were at least 4 subdivisions being planned that would receive water from the Association. It was agreed that a new policy should be adopted regarding the supplying of water to new subdivisions, but no decision was made at this time.

The Board approved of a door registration for the annual meeting rather than using the lengthy roll call method.

There being no other business, the meeting adjourned at 10 p.m.

  
John Hawkins, Secretary-Treasurer

MINUTES OF BOARD MEETING OF JANUARY 11, 1979, AT HOME OF BOB PHILLIPS.

Board members present: Phillips, Burgess, McPherson, Kline, Sheppard and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

Previous minutes and a financial report were dispensed with, since the Association records were at the auditor's.

Mr. Tom Jones was present to request domestic water service to his proposed 8-lot "Cedars" Subdivision on Cedar Mesa. After considerable discussion it was agreed that the Association would provide water to this subdivision provided Mr. Jones sell to the Association two shares of Cedar Mesa Reservoir stock for \$2,500.00; and that he install all

X  
Jan. 11th, cont'd.:

water lines within his subdivision at his expense; and that he install a water line from the North end of his subdivision to the existing Association line to the West, this line to be of sufficient capacity to serve the subdivision, and the Association reserving the right to over-size this line at its expense for future use; all lines to be installed to Association specifications and under supervision of the Association; also that Mr. Jones purchase a minimum of 25% of the taps in the subdivision prior to development and a minimum of 25% each year thereafter until all taps are purchased; taps will be purchased at the rate prevailing at time of purchase.

It was moved by Sheppard with a second by Burgess that this agreement be approved, and that this agreement be used as a guideline for new subdivisions until amended. Motion carried.

It was moved by McPherson, second by Kline, that the line maintenance salary be increased \$100.00 a month. Motion carried.

There being no further business, the meeting adjourned at 10 p.m.

John Hawkins  
John Hawkins, Secretary-Treasurer

MINUTES OF BOARD MEETING OF JANUARY 29, 1979, AT BOB PHILLIPS HOME.

Members present: Phillips, McPherson, Kline, Hawkins.

The meeting was called to order by Chairman Phillips; the association's records were still at the auditor's.

Mr. Clint Sherrill was present to request water service to a proposed 15-lot Piñon Estates Subdivision being developed by Sherrill and Orton on Mack Gorrod Lane.

After discussion it was agreed to furnish water to this subdivision provided Mr. Sherrill sell or make available to the Association to purchase a minimum of 5 c.f.s. of storage water suitable for use in the system; and that the developers construct all lines within the subdivision at their own expense and to Association specifications and under Association supervision; and that they install at their expense a new line from the South edge of their subdivision west to the Association 4-inch main line; and this line may be over-sized at Association expense; the developers will purchase a minimum of 25% of the taps in the subdivision prior to development, and a minimum of 25% per year thereafter until all taps are purchased; all taps to be purchased at the price prevailing at the time of purchase. The motion to approve this agreement was made by McPherson and seconded by Kline; motion carried.

Hawkins reported that Mr. Ernie Whitcomb was planning a 1-lot subdivision on Cedar Mesa and asked if the above procedure should be followed in this case. It was agreed that this policy

X

Jan. 29 meeting cont'd:

would not be necessary in this case, and that the Association would permit Mr. Whitcomb to serve the one lot from the existing Association line on the South edge of his property; however, that if this property is to be further divided that the additional parcels must be supplied by a new line on the north extending from the Jones subdivision; also that Mr. Whitcomb purchase the one tap necessary prior to construction at the rate prevailing at time of purchase.

There being no further business, the meeting adjourned at 10 p.m.

*John W. Hawkins*

John Hawkins, Secretary-Treasurer

MINUTES OF BOARD MEETING OF JANUARY 31, 1979, AT BOB PHILLIPS HOME.

Members present: Phillips, McPherson, Burgess and Hawkins.

Mr. Dale Cernusak and Mr. Lester Womack were present requesting water from the Association to serve their proposed 11-lot Parkwood Subdivision on the old Delrosa Ginter place near Cedaredge.

After discussion, it was agreed that the Association would provide water to this subdivision provided the developers make available to the Association for purchase a minimum of 4 c.f.s. of storage water suitable for use in the Association's system; that they provide all water lines within the subdivision, including main line regulator and regulator house and all costs of crossing the County Road and connecting to the Association main line; all lines to be installed to Association specifications and under Association supervision; developers will purchase a minimum of 25% of taps needed in the subdivision before construction and a minimum of 25% per year thereafter until all are purchased; taps will be purchased at the rate prevailing at the time of purchase; developers will provide on their plat an easement for a possible Association water line extension between Lots 6 and 7.

The above agreement was moved for approval by McPherson, second by Burgess. Motion carried.

There being no further business, the meeting adjourned at 10 p.m.

*John W. Hawkins*

John Hawkins, Secretary-Treasurer



MINUTES OF BOARD OF DIRECTORS MEETING HELD FEBRUARY 28, 1979, at HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Bob Phillips at 7:30 p.m.

Board members present were Phillips, Burgess, Kline, McPherson, Sheppard, and Hawkins.

The Secretary read the minutes of the previous meeting which were approved as read.


Copies of the financial statement were distributed; it was discussed and approved on a motion by Sheppard and a second by McPherson.

Gary Lenderle from Grand Junction was present to discuss the possibility of the Association providing water to Camp Joy, the Church of God church camp on Surface Creek. Mr. Lenderle stated that they did not expect to use any great amount of water at any time and that they planned to use the existing cistern on the property for storage and that a large line would not be necessary. It was noted, however, that the existing line leading toward Camp Joy was only a 3/4" line and in order to adequately serve any additional members a new line would have to be built to the existing 2" line 1/4 mile to the east.

After considerable discussion it was moved by McPherson, seconded by Kline, that the Association provide water to Camp Joy provided that the Church purchase one membership in the Association at the regular 3/4" tap fee and that they build at their expense a new 2" line from Camp Joy to the existing 2" line 1/4 mile to the East and that it be built to Association specifications and under supervision of the Association and that it be understood that if at any time a larger than 3/4" tap is required that the commercial tap rate in effect at that time would be applied. The motion carried.

There was discussion on the general operation of the system and on the continuation of the improvements on Redlands Mesa on which decision was postponed until a later meeting.

There being no other business, the meeting adjourned.

  
John Hawkins, Secretary

MINUTES OF THE JUNE 29, 1979, MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, AT THE BOB PHILLIPS HOME.

The meeting was called to order by Chairman Phillips at 8 p.m. with Board Members Phillips, Burgess, McPherson, Sheppard and Hawkins present.

Minutes of the last meeting were read and approved as read.

Unapproved financial statements were distributed, discussed and approved on a

MOTION by Sheppard,  
SECOND by Burgess.

Earl Bennett Jr., had requested permission to sell a membership issued in his name and located on the property of Earl Bennett Sr. and to transfer it to a different location. It was agreed by the Board that this should be permitted provided there is no expense to the Association.

A request was received from Isal Shields regarding Edith Angel's tap asking the Association to assist in the payment of a bill to Doughty Machine Company for thawing the Edith Angel private water line last winter.

It was MOVED by McPherson,  
SECOND by Burgess that this should not be the Association's responsibility and that assistance be denied.

MOTION CARRIED.

The matter of spray water being used from the filler pipe at Palmer and Company by non-members of the association was raised; it was agreed that this could be permitted if there was not a water shortage and that payments be made for such service. This matter would be subject to further consideration at a later date.

Ben Terry of Cedar Mesa had complained about the size of his meter reading and subsequent water charge, and had asked for an adjustment. Hawkins reported that he had checked all the possibilities of error and that every indication was that the meter reading was accurate and that the water had actually been used. It was agreed by the Board that no adjustment be made.

Hawkins reported that he had had a request from James T. Haselwood for information concerning the possibility of a proposed subdivision on his property on Cedar Mesa. No formal request was made and no plan was presented, so no action was necessary.

Hawkins also reported that he had been advised by Delta County Joint School District 50 that the Town of Cedaredge may not be willing to provide water for the new Cedaredge High School and that this Association should be contacted. It was the feeling of the Board that this should be the Town's service area and the Town's responsibility; however, Hawkins was instructed to notify the School District that the Association would be willing to work with them if it became necessary.

Hawkins reported a request from Sanders Realty concerning the possibility of extending a service line north from the west end of Muck Lane along Highway 65. The Board agreed that this was not practical at this time, especially since only one tap was involved and that distance and elevation were problems.

Hawkins reported that the new line to Camp Joy, the Church of God Church camp, had been installed and is in service, this being 1400 feet of 2-inch line.

He also reported that lines were currently being installed in the Pinyon Subdivision for Sherril & Orton, and in the Parwood Subdivision for Cernusak and Womak. Cernusak and Womak have committed 1 (one) share of Surface Creek Reservoir stock to the Association for a price of \$3,500 which the Board agreed to accept, on a

MOTION by McPherson,  
SECOND by Burgess.

Clint Sherrill had offered 15 shares of Leon Lake stock at \$150.00 a share. The price of \$150.00 per share was agreeable to the Board. However, it was felt that the 15 shares would not provide for 5 c.f.s. of water, There was

a MOTION by McPherson, and  
SECOND by Sheppard

that the Association hold for the 5 c.f.s. which had been agreed to earlier.

MOTION CARRIED.

There was general discussion on the value and productivity of various sources of water. It was

MOVED by Sheppard,  
SECOND by Burgess

that in accepting water for the Association that value be placed on the productivity based on the average of the top seven years out of ten.

MOTION CARRIED.

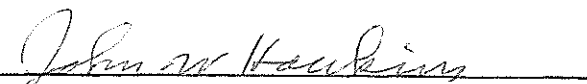
Hawkins again asked for discussion on improvements to the Redlands system. He expressed the need for a storage tank and a line running south from the storage tank to the existing system and the beginning of replacements of the existing line. After some discussion, it was

MOVED by McPherson,  
SECOND by Sheppard,

that we proceed this year with a new line from the proposed tank site south to the existing line at Woods Corner and replace the existing line from Woods Corner west to the Grange Hall for a total distance of a little over two miles and that the tank be discussed at a later meeting.

MOTION carried.

There being no further business to come before the Board,  
the meeting adjourned at 10 p.m.

  
John Hawkins, Secretary

MINUTES OF THE SEPTEMBER 25, 1979, MEETING OF THE BOARD OF DIRECTORS  
OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD AT THE  
BOB PHILLIPS HOME.

The meeting was called to order by Chairman Phillips at 8 p.m.,  
with Board Members Phillips, Burgess, Sheppard and Hawkins present.

Minutes of the previous meeting were read and approved as read.

The financial statement was distributed and discussed.

{ MOVED by Sheppard,  
SECOND by Burgess that the financial statement be accepted.  
MOTION CARRIED.

Secretary Hawkins brought up the matter of the Daisy Muck right-  
of-way tap belonging to the Town of Cedaredge and tapped onto the  
Association line. The long private line from the main line tap to the  
Muck home has frequent leaks, causing inconvenience and expense to Mrs.  
Muck as well as losing water from the Association's system. Mrs. Muck  
requests the tap to be relocated on the Association's new line by her  
house. Ed Marah, for the Town of Cedaredge, has expressed agreement  
to moving the tap and is interested in transferring membership from  
the Town to the Association.

{ MOVED by Sheppard,  
SECOND by Burgess,  
That in the interest of convenience and in saving water that  
the Town may relocate this tap to the new line at no expense to  
the Association, but that the Association not agree to the transfer  
of membership at this time.  
MOTION CARRIED.

The secretary reported that we had purchased the requested 20  
shares of Leon Lake water stock from Clint Sherrill for \$3,000.00 in  
compliance with our agreement to provide water to Sherrill's Pinyon  
Estates Subdivision.

Hawkins reported that he had had an offer to sell the Association  
one share of Surface Creek Reservoir stock for \$5,000. The Board  
rejected the offer, stating that the top price would be no more than  
\$3,500 per share.

There was discussion on whether or not advance purchases of taps  
in subdivisions could be treated as deferred memberships. It was



agreed by the Board that they could be treated as deferred memberships as long as the developer was assuming all the costs of the water lines in the subdivisions.

Hawkins brought up the matter of the proposed Redlands tank, urging the Board to approve construction of the same; however, the Board declined to approve its construction at this time.

The matter of the high cost of Workmens' Compensation insurance was discussed.

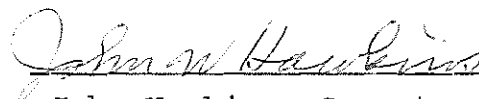
MOVED by Sheppard,  
SECOND by Burgess,

That we investigate the rates from other companies to see if we could help decrease the costs.

MOTION CARRIED.

There being no other business the meeting adjourned at 9:30 p.m.

Respectfully submitted,



John Hawkins, Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASS'N HELD DECEMBER 4, 1979, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order at 8. p.m. by Chairman Phillips with all Board members present.

The Secretary read the minutes of the last meeting, which were approved as read.

The financial report was placed before the Board by the Secretary. It was discussed and approved on a

MOTION by Sheppard, and a  
SECOND by McPherson.

The Secretary presented correspondence from the Mancos Rural Water Company concerning pending litigation in which the Public Utilities Commission has claimed jurisdiction over the Mancos Rural Water Company and Mancos Rural Water Company is contesting this decision and is asking for financial support from other rural water companies throughout the State. It was the jeneral feeling of the Board that the outcome of this case could ultimately affect the operation of this Association and that we should assist them financially in the litigation. After considerable discussion it was

MOVED by Sheppard, and  
SECOND BY Burgess,

That this Association contribute \$500.00 to Mancos Rural Water Company to assist in their litigation with the PUC and that if it becomes necessary to carry the case to the Supreme Court, an additional contribution could be made if needed, and that we ask for a list of contributions and a list of expenses as they occur.

MOTION CARRIED UNANIMOUSLY.

The Secretary presented the proposed 1980 Budget which was thoroughly discussed and minor changes made.

MOVED by Sheppard  
SECOND by Kline

That the Budget be approved and presented to the stockholders at their annual meeting.


MOTION CARRIED.

It was noted that the annual meeting would be held Tuesday, December 11, 1979, at the American Legion Hall in Cedaredge. Directors terms expiring at this time are: Phillips, McPherson, Sheppard and Burritt.

Chairman Phillips stated that he would be unable to attend the annual meeting because of other commitments. Vice-Chairman Burritt, however, said that he would be in attendance and would conduct the meeting.

There being no other business the meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF MEETING OF MARCH 7, 1989, HELD AT HOME OF BOB PHILLIPS

The meeting was called to order by Chairman Bob Phillips at 8 p.m.

Board members present were Phillips, Burritt, Hawkins, McPherson, Sheppard, and Burgess.

Minutes of previous meeting were read and approved as read.

Financial statements were distributed, discussed, and approved on a  
MOTION by Burgess  
SECOND by McPherson.

Correspondence was read from the Mancos Water Company informing us of their PUC hearing in April.

Hawkins brought up the matter of the Everett Kisner tap which has considerable delinquent assessments due; it has been disconnected and the Kisners have moved from the property. A real estate firm which is attempting to sell the property was asking for an adjustment on the delinquency; this was denied by the Board.

The Agreement between the Town of Cedaredge, for the treatment of Association water in the Cedaredge filtration plant, and the Association was presented for approval. It appeared that all items that had been addressed by the Board had been complied with in the new draft. It was

MOVED by McPherson,  
SECOND by Sheppard,

That the contract be approved and appropriate signatures placed thereon.

MOTION CARRIED.

Hawkins stated that James Briscoe, attorney, had offered to serve as the Association's attorney on a retainer basis.  
It was

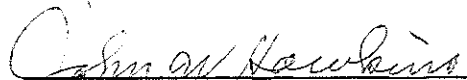
MOVED by Burgess,  
SECOND by McPherson,

That the Association accept Attorney Briscoe's offer and that the retainer agreement be signed.

MOTION CARRIED.

Hawkins asked for discussion on improvement work on the system for this year. There was no discussion.

The meeting adjourned at 9:30 p.m.

  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD JUNE 30, 1980, AT THE BOB PHILLIPS HOME.

Board members present were: Burgess, Burritt, McPherson, Phillips, Sheppard, and Hawkins.

The meeting was called to order by Chairman Phillips at 8 p.m.

The Secretary read the minutes, which were approved as read.

The Secretary distributed copies of the financial reports which were reviewed, discussed, and approved on a

MOTION by Burgess, and a

SECOND by Sheppard.

Mr. Bob Neirinkx was present to discuss the matter of his bill which was delinquent in the amount of \$534.54. He protested that \$73 of that amount was the excessive water used by his tenants after he claimed he had instructed the Association to shut the water off and that the Association refused and that he should not be required to pay that amount. He agreed to pay the remainder of \$461.54. It was

MOVED by Burgess,

SECOND by McPherson, that we accept payment of \$461.54, and that the balance of \$73 be carried as past due until a search of the records can determine whether Mr. Neirinckx's claim is justified.

MOTION carried.

Hawkins explained two problems that had arisen on the water line, both in the Cactus Park area: 1) On the property formerly owned by Judd Hart, who had at one time owned a tap that had been repossessed by the Association, new people had purchased the property and were using water in excessive amounts from the old tap location, claiming they were told that this tap had been purchased by them with the property. The tap has been shut off with instructions to leave it shut off until they can offer proof of ownership of the tap.

2) The other problem concerned the Bob Varner property (the original Harold McCoy place) where a tap was once installed and later sold and removed from the property. A serious leak appeared on the property which apparently had been leaking for years. The leak was repaired and the old connections removed from the line, which made Mr. Varner very unhappy; and he, also, claimed that this was a tap that had been purchased with the property.

The Board agreed it would be the responsibility of both of these parties to prove ownership of taps at these locations.

(over)



(June 30, 1980, continued)

There was discussion of continued improvements to the Redlands Mesa system -- in particular, the possibility of a new storage tank. Hawkins stated that he did not have a current price but that based on the last discussion with Doughty Steel Company, he felt the price for a 100,000 gallon tank would probably be between \$35,000 and \$40,000.

After considerable discussion, it was

MOVED by McPherson, and

SECONDED by Sheppard,

That Hawkins be instructed to obtain some prices for a tank and that if the price was favorable that we proceed with construction.

MOTION carried.

There being no other business, the meeting adjourned at 10:30 p.m.

Respectfully Submitted,

  
John Hawkins

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD DECEMBER 3, 1980, AT THE HOME OF ROBERT E. PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips. Board members present were Phillips, Kline, McPherson, Sheppard and Hawkins.

The secretary read the minutes of the previous meeting. They were approved as read.

Financial reports were distributed, studied, and discussed.

MOTION by Sheppard to approve the financial reports.

SECOND by McPherson.

MOTION Carried.

The problem of two subdivision agreements was brought up, these being the "Pinyon Estates" development belonging to Clint Sherrill and Gordon Orton; and, the "Parkwood" development owned by Dale Cernusak and Les Womak. The secretary reviewed the two agreements, which showed that both subdivisions are in default on purchasing the agreed-to number of taps.

Cernusak's "Parkwood" subdivision has sold 1 tap this year and owes two more.

Orton and Sherrill have asked that, because of the present depressed economics of the building business due to high interest, that they be granted a year's grace on their agreed-to number of tap purchases. They have sold one; they owe three. They reported that Ed Fischer had bought two of their lots in September and was to have purchased a tap for each lot. However, the Association has not been approached by Fischer.

Thorough discussion of the situation followed, with consideration given to being careful in establishing a precedent.

MOTION by Sheppard to grant one year moratorium on this year's taps only, with a double pick-up next year on taps due for next year and this year, with a 15% interest charge on this year's taps; and to have the Association's attorney draft a letter to this effect and to outline the ramifications of default.

SECOND by McPherson.

MOTION CARRIED.

The George Newton situation on Redlands Mesa was presented by the Secretary, wherein Mr. Newton had constructed line for a tie-in without first contacting the Association and had made an unauthorized tie-in on Association line. The tie-in was made at an incorrect angle in a difficult, swampy area and will cause future problems on the line. The tie-in was made after Association personnel had sought out Newton and his workmen and had discussed it with them and had asked them to hold off and to cooperate with the Association on this line.

After discussion, there was a

MOTION by Sheppard to instruct the Association's attorney to notify Mr. Newton to disconnect this illegal tie-in or to make satisfactory arrangements with the Association, and for our attorney to take all legal steps necessary in this case; and, that the meter should be put where the Association wants it and to charge Newton for it.

SECOND by Kline;

MOTION CARRIED.

The Richard Deadman situation on Cedar Mesa was discussed. Mr. Deadman claimed that due to Association work on Association line, dirt had gotten into his plumbing and he demanded the Association pay his plumbing bill.

A MOTION by Sheppard to notify Mr. Deadmen that we will not pay his plumbing bill.

SECOND by Kline.

MOTION CARRIED.

The Paul Thompson and Ralph Thompson lines in Dry Creek were discussed. The line to Ralph Thompson is old, too small, fragile and difficult to maintain. Paul Thompson is willing to cooperate with the Association in constructing a new line for himself for his tap which he is getting ready to install.

MOTION by Sheppard for Paul Thompson to pay for digging and laying his own line from his tap to a point on Association line where the line is adequate to serve him; Paul Thompson to pay for 3/4" pipe and the Association to pay for over-size to 2" and the Association to pay all costs from Paul Thompson's on to Ralph Thompson, replacing the Ralph Thompson line.

SECOND by McPherson;

MOTION CARRIED.

Next order of business was the budget for the coming year. The secretary handed out copies of the preliminary draft, which was discussed item by item.

MOTION by Kline to adjust the bookkeeper's salary on a formula of 10% each year for the past two years plus 10% for the increased work load, to a new salary of \$525.00 per month.

SECOND by McPherson;

MOTION CARRIED.

MOTION by McPherson, using the same formula, to adjust the combined salaries for maintenance to a total of \$1,450 a month; and, to increase mileage allowance to 30¢ per mile.

SECOND by Sheppard;

MOTION CARRIED.

MOTION by Sheppard to increase water assessments by \$2.00 per month, and to take this increase to the annual meeting as part of the budget presentation.

SECOND by McPherson;

MOTION CARRIED.

(Dec. 3, 1980, continued)

MOTION by McPherson, that the budget as amended be presented to the stockholders' annual meeting December 9.

SECOND by Kline;

MOTION CARRIED.

The problem of the unpaid Robert Neirinckx water bill was discussed. His file and ledger were reviewed.

MOTION by Sheppard to shut off his water, and to refer the matter to our attorney and instruct him to write a letter to Neirinckx requesting him to pay all that is due as well as the amount of \$73.00 in question.

SECOND by Kline;

MOTION CARRIED.

The secretary presented maps, 1) showing new lines, new taps and re-built lines on the Redlands Mesa Extension. Hawkins indicated some areas that should be done this fall, such as replacement of Billy Varner's line. Hawkins was instructed by the Board to do these spots needing attention now, and have another meeting to discuss what is to be done next spring.

2) a map showing location of new lines and new members on the entire system.

After discussion of maintenance work, there was a

MOTION by McPherson to hire Dan Hawkins Construction Co. for Association work provided it be at a competitive price and provided that Board Chairman Bob Phillips, or any Board member he should appoint, shall inspect the work as it is done, and be re-imbursed for doing so.

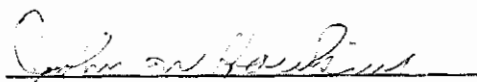
SECOND by Sheppard;

MOTION CARRIED.

The upcoming annual stockholders' meeting was discussed. It is to be held December 9 at the American Legion hall in Cedaredge at 7:30 p.m. Board members whose terms are expiring this year are: Cedar Mesa -- Bud Burgess; Upper Surface Creek -- Herman Kline; Redlands Mesa -- John Hawkins.

There being no further business, the meeting adjourned at 10:45 p.m.

Respectfully submitted,

  
Secretary-Treasurer



MINUTES OF BOARD MEETING OF APRIL 17, 1981 HELD AT HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m.

Board members present were: Phillips, Burgess, McPherson, Sheppard, Burritt, and Hawkins.

Minutes of the previous meeting were read, discussed, and approved.

The financial report was distributed, discussed, and approved on a

Motion by Burgess,

Second by McPherson.

OLD BUSINESS:

- (1) Hawkins reported that the George Newton tap situation was in the hands of our attorney, and that our attorney was having difficulty obtaining satisfactory communication with Mr. Newton. It was agreed that further action should be initiated by Mr. Newton, as he would no doubt be requesting water service in the near future.
- (2) The Bob Neirinckx situation had been settled by payment in full of all charges by Mr. Neirinckx.
- (3) The Clint Sherrill and Gordon Orton situation shows no change. They have not responded to the letter that was sent to them by Attorney Briscoe. Hawkins agreed to make personal contact with Sherrill before the next Board meeting to see what their intentions are.

Under new business, Hawkins reported that another tap had been purchased and installed by Joe Cernusak on the old Jess Harris place, and that the small line in that area was probably nearing capacity and that any other additions in that immediate area might be questionable without enlarging that section of line.

Hawkins reported that since the first of December, we had completed 23,900 feet of replacement line on Redlands Mesa, with a total installation charge of \$35,850.00, of which \$16,260.00 have been paid, leaving an unpaid balance of \$19,590.00. It was agreed that no more new line be installed on Redlands until further action by the Board.

A request was made by Dick Moore on behalf of Clarice Wood to provide water for a proposed 5-lot subdivision on

(April 17, 1981, continued)

Redlands Mesa. They were offering advance payment for taps of less than the current policy of the Association.

It was MOVED by Burgess,

SECOND by Burritt, That we offer to supply water to this subdivision under the same current policy established for other subdivisions.

Motion carried.

Hawkins reported that the Albert Nichols Estate was being settled and that a membership transfer had been requested. However, the stock certificate has not been located and we had been unable to obtain lost document papers and indemnification necessary for transfer from the executor of the estate (Fort Morgan Bank) or from the real estate firm handling the transaction and had referred the matter to our attorney for action.

There was discussion of holding Board meetings more often, and it was decided to set the second Friday of each month as a regular Board meeting date.

There being no other business, the meeting adjourned.

Respectfully submitted,

John W. Hawkins  
Secretary-Treasurer

MEETING OF MAY 8, 1981, at Bob Phillips home.

Members present: Phillips, Burritt, Burgess, McPherson, Kline, Hawkins.

Minutes of the last meeting were read and approved.

The financial report was distributed, discussed, and approved on a

MOTION by McPherson,  
SECOND by Burgess.

OLD BUSINESS:

Newton: The George Newton situation on Redlands Mesa, Hawkins reported, had had some discussion but no concrete headway had been made.

Orton & Sherrill: Hawkins had discussed the matter with Clint Sherrill and had been assured that they had a deal pending which, when and if it is finalized, would clean up their delinquency.

Dick Moore: The request by Dick Moore for water service to a proposed subdivision had been withdrawn as the property has been sold and there are no current plans for a subdivision.

Albert Nichols Estate:

This situation has been cleared up by receipt of all the necessary documents.

NEW BUSINESS:

Herb Briscoe: Mr. Briscoe was present at the meeting and presented plans for developing an approximately 15-lot subdivision on the east edge of Cedar Mesa and was requesting water service. After considerable discussion, there was a

MOTION by Burgess that the Association approve service to this proposed subdivision subject to the Association's policy for serving new subdivisions.

SECOND by McPherson.

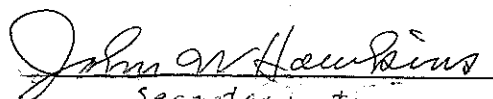
MOTION CARRIED.

Ed Carpenter: Hawkins reported that there was good reason to believe that the Ed Carpenter property on Cedar Mesa was serving two households with one membership, and that the property was in the process of being sold and this situation should be cleared up before a transfer of stock certificate is made. Mr. Carpenter and the real estate company handling the matter are aware of the situation and were invited to this meeting but declined to attend. The Board agreed that the stock should not be transferred until the matter was taken care of.

Lost Stock Certificates:

Hawkins reported that there were an increasing number of lost stock certificates being reported and that except on questionable occasions a letter of indemnification to the Association had acceptable. However, he felt insecure in using this practice and wondered if a lost document bond should not be required in all cases.

The Board agreed and approved a MOTION by McPherson with a SECOND by Kline to this effect.

  
Secretary - Treasurer

MEETING OF JULY 21, 1981, at home of Bob Phillips.

Members present: Phillips, McPherson, Sheppard and Hawkins.

Minutes of the last meeting were read and approved.

The financial statement was distributed, discussed and approved on a

MOTION by Sheppard,  
SECOND by McPherson.

HAWKINS reported the following:

RUSSELL MAINE had donated one share of Park Reservoir water for the season if he could have the privilege of using additional water for his yard during the dry season.

MARGARET DURRANCE, new owner of the old Frank Briggs place was unfamiliar with the valving system on the place and had inadvertently turned water from the System into a cistern, which had overflowed into a ditch, using 251,000 gallons of water in one month. This was also an illegal cross-connection which has since been removed. The Board agreed that an adjustment could be made on their water bill for that month.


A NEW LINE had been installed on Redlands on the extreme east end, about a quarter-mile of  $1\frac{1}{2}$  and 1 inch new line for a new tap for Morrie Rupp and to accommodate this about a quarter mile of replacement of the old line from  $\frac{1}{2}$  inch to 2 inch. Most of the cost of this was borne by Mr. Rupp.

HENDERSON LINE: there was an obvious leak in the Henderson line on Redlands which we had been unable to find since it has not surfaced. Indications are that it is on the lower end of the line around the buildings. The Board agreed that if the Hendersons would replace the lines from the road to their houses, the Company would put in meters and put their taps under pressure and if the remaining old line would not withstand the pressure, this would be replaced with new line by the Company.

THOMPSON LINE: We continue to have breaks in the Thompson line in Dry Creek, and it should be replaced, as was agreed to earlier.

There being no other business, the meeting adjourned.

Respectfully Submitted,

  
John Hawkins, Secretary



MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, DECEMBER 1, 1981

The meeting was held at the home of Bob Phillips.

Board members present: Phillips, McPherson, Sheppard, Kline, Burgess, and Hawkins.

The meeting was called to order at 8 p.m. by Chairman Bob Phillips.

Minutes of the previous meeting were read and approved.

Financial statements were distributed, discussed, and approved by a motion from Sheppard, a second by McPherson.

There was discussion concerning two developments: One for Sherrill and Orton for Pinyon Estates Subdivision; and one for Cernusak and Womack for Parkwood Subdivision, where they had agreed to purchase a certain number of taps annually, and because of the current slump in the building industry, they had been unable to meet their commitments. It was agreed to defer enforcement of their commitment for a short period of time to see how the housing market develops.

Secretary Hawkins informed the Board that it did not appear that the \$5.00 membership transfer fee is adequate to cover all of the costs of making the transfers, particularly where occasional legal assistance is required. After discussion it was

MOVED by McPherson,  
SECOND by Sheppard, That the transfer fees remain the same and that no attorney be used at Association expense in making membership transfers. MOTION CARRIED.

Secretary Hawkins presented a proposed budget for 1982 which was discussed and minor changes made therein.

MOVED by McPherson,  
SECOND by Kline, that the revised budget be approved and presented to the stockholders at the annual meeting. MOTION CARRIED.

It was noted that the annual meeting would be held December 8, 1981, and that 126 members were needed in person or by proxy for a quorum and that Board members whose terms are expiring are: Phillips, McPherson, Sheppard, and Burritt.

Respectfully submitted,

  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF MEETING HELD OCTOBER 20, 1981, AT HOME OF BOB PHILLIPS

Board members present: Phillips; Sheppard; Kiline; Burgess; Hawkins.

Minutes of the last meeting were read and approved.

Financial statements were distributed, and discussed, and approved on a motion by Sheppard with a second by Kline.

Hawkins updated the Board on the replacement of old lines on Redlands Mesa and in Dry Creek and problems with leaks throughout the system.

Hawkins reported that a problem had arisen over a pipeline right of way on Cedar Mesa through the former Adair Roberts property now owned by Don Mosier and other members of the Roberts Estate. This line leads to Panorama Subdivision and other houses including two for Mosier. Apparently no written right of way was obtained from Mr. Roberts when the original line to that area was installed in about 1962. Mr. Mosier alleges that the Association does not have a legal right of way over the property and has denied access to the pipe line over that property, to the extent of obtaining assistance from the sheriff's department to enforce denial. Attorney Briscoe has assured us that the Association does have legal access by virtue of twenty years or so of use but that it will probably be necessary to obtain a judgement of the court to firm up that access.

It was moved by Burgess, Second by Sheppard, to instruct our attorney to proceed in taking whatever action is necessary. Motion carried.

Hawkins asked the Board if they would like to consider charging for excess use of water during the winter months. There was some discussion, but no action was taken.

There being no other business, the meeting adjourned.

  
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John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING HELD APRIL 20, 1982, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m.

Board members present were: Chairman Phillips, Floyd McPherson, R. P. Sheppard, Bud Burgess, Herman Kline, and John Hawkins.

Minutes of the previous meeting were read and approved.

The Secretary presented financial reports that were read, discussed, and approved on a motion by Burgess, and a 2nd by Sheppard.

Herbert L. Briscoe was present to discuss an agreement for the Association to provide water to his proposed Terra Linda Subdivision. After considerable discussion, it was

MOVED by McPherson, )

SECOND by Burgess, ): that the Association agree to provide water to the proposed Terra Linda Subdivision under the following conditions: (1) That Mr. Briscoe pay 25% of the cost of a 4-inch high-pressure line from the end of the Association's existing 4-inch line at the Chuck Barnes residence to the last point of delivery in his Subdivision; (2) That he install at his expense all lines in the Subdivision which are intended for the Subdivision only; (3) That he will purchase 10 (ten) taps at the prevailing rate at time of purchase prior to beginning construction in the Subdivision; the first 5 taps will be eligible for an 18-month deferral of monthly water charges; the second 5 taps will be eligible for a 36-month deferral of the monthly water charges; no purchases will be required the second year after beginning construction; the third year, 3 taps will be required to be purchased; the fourth year, 3 taps; the fifth year, 3 taps; the sixth year, 2 taps; the third, fourth, fifth, and sixth years' purchases will be eligible for the 18-month deferred monthly water charges; the agreement to terminate 3 years from this date of April 20, 1982; it may, however, be re-negotiated at time of termination. MOTION CARRIED.

Secretary Hawkins stated that Don Sexton had inquired about the possibility of obtaining up to 4 taps on his property, but there was nothing definite on that at this date.

The secretary also reported that Mr. Hanna, who owns property just below the old Town of Cedaredge water intake on Surface Creek, had asked if the Association could serve his property. Hawkins had discussed this with Ed Marah of the Town, and Marah had agreed that if it was determined to be within Cedaredge's service area, that they would prefer that our Association serve it, since the Town of Cedaredge has trouble providing satisfactory service in that area.

MOTION by Kline)

SECOND by McPherson): That we agree to serve Mr. Hanna's property provided a letter of agreement be received from the Town of Cedaredge. MOTION CARRIED.

Hawkins reported that a little over a mile of line had been replaced on Redlands Mesa this spring, basically completing the extreme SE leg going to the East edge of the Mesa. The Board agreed that no further construction should take place until finances can justify authorization by the Board.

There being no further business, the meeting adjourned.

 John Hawkins, Sec.

MINUTES OF BOARD MEETING HELD OCTOBER 7, 1982, AT HOME OF BOB PHILLIPS

The meeting was called to order at 8 p.m. by Chairman Phillips.

Board members present were: Phillips, Sheppard, Kline and Hawkins.

Minutes of the previous meeting were read and approved.

Financial reports were distributed, studied and approved on a

MOTION by Kline,  
SECOND by Sheppard.

Dr. and Mrs. Laurence Greenburg were in attendance representing the Redlands Mesa Fire House as a part of the Hotchkiss Fire District. They requested that water be furnished to the fire house to be used for filling the fire truck that will be located there. After considerable discussion it was

MOVED by Sheppard,  
SECOND by Kline, that the Association permit the installation of a fire hydrant on the main line upstream from the pressure regulator near the Grange Hall and that if an agreement could be worked out with the Redlands Mesa Grange it would be permissible to tap the private line going to the Grange Hall to supply water for use inside the fire house and that they would not be required to purchase a membership nor would they be charged for water use except for any overage that might be used through the Grange meter and per agreement with the Grange. MOTION CARRIED.

Secretary Hawkins brought up the question of a proposed road improvement project on the extreme upper end of Redlands Mesa on Road 2950 where the Association's small storage tank is located. This is an unimproved and unmaintained road and deep snow in the winter makes access to the tank difficult. The County has an agreement with private interests to improve the road to County standards and the County will assume the responsibility of maintaining the road and keeping it open in the winter time. The agreement is contingent in part upon the County's receiving some assistance from the three water companies whose access is affected by this project to assist in the purchase of gravel for the finishing of this road.

MOVED by Sheppard,  
SECOND by Kline, That the Association agree to contribute up to \$500 toward this road improvement. MOTION CARRIED.

Board member Sheppard advised the Board of the numerous breaks in the water line from the main line to his home. This is a line that was installed after the original main line installation, and the same inferior type plastic line that was used on Redlands Mesa was used on this line.

MOVED by Kline,  
SECOND by Sheppard, that this line be replaced and be re-located by coming directly from the new Cedar Mesa line, a distance of approximately 1,000 feet. MOTION CARRIED.

There was discussion of doing additional work replacing the



Redlands Mesa line before winter sets in. A study of the financial reports indicated that we could do approximately \$10,000 worth, plus pipe, and maintain a reasonable bank balance and without disturbing the Reserve Account.

MOVED by Sheppard,  
SECOND by Kline, That the Association proceed with approximately \$10,000 plus pipe on the Redlands project to be completed this fall if possible. MOTION CARRIED.

It was noted that the annual meeting would be held December 14 and that a Board meeting should be held early in December to discuss the budget, etc.

There being no other business, the meeting adjourned.

Respectfully Submitted,

John Hawkins  
John Hawkins, Secretary

X  
MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, OF DECEMBER 7, 1982

The meeting was held in the home of Bob Phillips.

Board members present: Phillips, McPherson, Kline, Burgess, Sheppard, and Hawkins.

The meeting was called to order at 8 p.m. by Chairman Phillips.

Minutes of the previous meeting were read and approved.

Financial statements were distributed, studied, and approved upon a motion by Kline and a second by McPherson.

Dale Cernusak and Lester Womack were present, requesting further relief from the purchase of taps for Parkwood Subdivision. After considerable discussion it was

MOVED by Burgess,

SECOND by McPherson, to extend the period of time for the purchase of all of the remaining taps in Parkwood Subdivision to November 30, 1983. MOTION CARRIED.

Secretary Hawkins stated that the agreement the Board had made at the last meeting concerning the water hook-up for the firehouse on Redlands Mesa was not what the Hotchkiss Fire Department would like. After discussion, it was

MOVED by Sheppard,

SECOND by McPherson, that Hawkins be authorized to work out a desirable arrangement with the Fire Department. MOTION CARRIED.

There was discussion about the continued delay of the agreed-to purchase of water taps in the Pinyon Estates Subdivision and the inability to work out a satisfactory deferral agreement. It was

MOVED by Sheppard,

SECOND by McPherson, to have the Association's attorney contact Sherrill and Orton in an attempt to get some satisfactory response. MOTION CARRIED.

Hawkins reported that new construction on the replacement of the Redlands Line had extended the West main line through the Burritt property to the beginning of the Hepting line. He stated that there was a very troublesome area of about 1200 feet in the Hepting line that should be replaced if possible before freeze-up, and that it appeared there were adequate funds in the bank to accomplish this.

MOVED by McPherson,

SECOND by Sheppard, that this section of line be completed if possible. MOTION CARRIED.

Hawkins also reported that the new line into Sheppard's on Upper

(Dec.7, 1982, continued)

Surface Creek had been completed.

The financial report indicated that there could be as much as \$10,000.00 available to place in the Reserve Account for the winter.

MOVED by Burgess,  
SECOND by Kline, that we place \$10,000.00 in the Reserve Account. MOTION CARRIED.

The 1983 proposed budget was distributed and studied.

MOVED by Sheppard,  
SECOND by Kline, that this proposed budget be approved and presented to the stock holders at the annual meeting. MOTION CARRIED.

There was discussion of the bookkeeping and billing procedures of the Association, and the possibility of converting to a computer system. It was agreed that the secretary should look into the feasibility of converting to a computer system.

It was noted that the annual meeting would be held December 14, 1982, and the Board members whose terms are expiring are: Kline, Burgess, and Hawkins.

*ah*  
Respectfully submitted,

*John Hawkins*  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION HELD APRIL 20, 1983, AT  
THE HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Bob Phillips.

Board members present were: Phillips, Burgess, Hawkins,  
Kline, McPherson, and Sheppard.

Minutes of the previous meeting were read and approved as read.

Monthly financial statements were distributed, discussed, and  
approved on a MOTION by Sheppard, SECOND by Kline.

Secretary John Hawkins reported that since the last meeting he  
had discussed the matter of tap purchases in Pinyon Estates  
Subdivision with Clint Sherrill and Gordon Orton, and that they had  
purchased one additional tap and agreed to purchase two about May 1st  
and plan to purchase the balance by September of this year. Hawkins  
had prepared a letter to Sherrill and Orton for Board approval  
agreeing to this arrangement. MOVED by Sheppard, SECOND by Kline  
that the Board approve of this arrangement and of the letter.  
MOTION CARRIED.

Hawkins stated that Mr. Warren Hall, who owns a membership in the  
Association for a tap which has never been installed in the remote  
area south of Redlands Mesa had indicated an interest in disposing of  
his membership, since it was not likely that he would ever want water  
service in that area.

It was MOVED by McPherson,  
SECOND by Sheppard, that in the interest of removing the  
Association's obligation to serve this remote area, the  
Secretary of the Association be authorized to negotiate  
with Mr. Hall for the purchase of his membership.  
MOTION CARRIED.

Hawkins stated that there had been foreclosure proceedings  
brought against Ira Hutchinson's Far View Subdivision, which is  
served by the Association, and that a suit has been filed to  
determine ownership of the water taps for the Subdivision, and this  
Association had been named as defendant, and that the matter had been  
turned over to the Association's attorney. The attorney has filed a  
motion to the Court that the Association be dismissed from the case.

Hawkins also stated that the Town of Cedaredge is contemplating  
enlarging the Town's water treatment plant in the near future, and  
that there likely will be discussion concerning the Association's  
participation in this enlargement.

Dan Hawkins was present and presented an analysis of a study  
he had made to determine the feasibility of computerizing the  
Association's bookkeeping and billing process. Various systems  
were analyzed, all within the \$5,000.00 price range. The Board was  
in general agreement that the time is right and that the price is



(April 20, 1983, cont'd)

probably within our means to proceed with computerizing the system. However, Board member Bud Burgess requested some additional time to obtain and analyze some additional information. It was agreed to delay action on the matter until the next Board meeting, which was set for May 18th.

There was some discussion concerning the changes in operational responsibilities resulting from computerization, and general desire to change some responsibilities within the Hawkins family. It was suggested that the Hawkins family make a proposal to the Board at the next meeting.

There being no other business, the meeting adjourned.

Respectfully Submitted,

John Hawkins  
John Hawkins, Sec.-Treas.

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MINUTES OF MEETING OF BOARD OF DIRECTORS OF MAY 18, 1983, AT THE HOME OF ROBERT E. PHILLIPS.

The Meeting was called to order by Chairman Phillips at 8 p.m. Members present were: Phillips, Burgess, Sheppard, Kline, McPherson, Hawkins.

The Secretary read the minutes of the last meeting; they were approved as read.

The Secretary distributed financial reports for the month of April. These were discussed and approved on a motion by Kline and a second by Sheppard.

Dale Cernusak was present representing his mother, Mrs. Eloise Cernusak, requesting water service to her proposed Cedar Bluffs subdivision. This is a small, 3-lot subdivision with two houses with water taps already installed, and only one additional water tap would be required. There was some concern expressed over the capacity of the Association's main line serving that area.

However, it was MOVED by McPherson,  
SECOND by Sheppard, that the Association agree to provide water to the one additional house in the subdivision without any requirement for improvement to the Association's main line by Mrs. Cernusak; this agreement will expire at the end of 4 years.

MOTION CARRIED.

(Meeting of May 18, 1983, continued)

In the matter of the membership for Mr. Warren Hall, Mr. Hall had asked if he could rent his water tap rather than sell it. The Board agreed that this could be done provided adequate delivery facilities were provided.

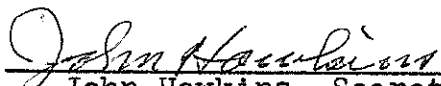
Dan Hawkins was present and presented his latest information and recommendations on the purchase of a computer, the recommendations being that we purchase an I B M computer which would cost a little under \$5,000.

MOVED by Sheppard,  
SECOND by Kline, to purchase the I B M computer and necessary appurtenances not to exceed \$5,000.

MOTION CARRIED.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
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John Hawkins, Secretary

Minutes of meeting of Board of Directors, meeting of Sept. 20, 1983 at the home of Bob Phillips.

The meeting was called to order at 8 p.m. by Chairman Phillips. Directors present were: Phillips, McPherson, Sheppard, Burgess and Hawkins.

Minutes of the last meeting were read and approved.

Financial statements for previous months were distributed and discussed. They were approved on a motion by Burgess, and a second by McPherson.

Mr. John Curtis and Ms. Jennie Rule were present representing Curtis's four-lot "Cedar View" subdivision on 2425 Drive, and requesting water service from the Association.

It was Moved by Sheppard,  
Seconded by McPherson, to agree to provide water to this subdivision under the regular policy of Curtis providing all the necessary water lines at his expense, and that he purchase no less than one membership when the subdivision is approved by the County, and no less than one membership each year thereafter until all four memberships are purchased. Motion Carried.

Secretary Hawkins reported that we had been notified that this Association and others like it may be subject to ad valorem tax in spite of our supposedly tax-exempt status. If this should happen, it could cost the Association as much as \$3.00 per month per member.

It was moved by Burgess,  
Seconded by Sheppard, to notify the Association's attorney to prepare to oppose this action.  
Motion Carried.

The Redlands Mesa project was discussed. It was noted that there was about 15,000 feet of line yet to be replaced.

It was moved by McPherson,  
Seconded by Sheppard, to authorize continued replacement of this line up to \$15,000 to \$17,000 as weather and time permitted.  
Motion carried.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
Secretary-Treasurer

BOARD OF DIRECTORS MINUTES OF MEETING OF AUGUST 27, 1984.

The meeting was held at the home of Bob Phillips, and was called to order by Chairman Phillips at 8 p.m. Board members present were: Phillips, McPherson, Sheppard, Kline and Hawkins.

Secretary Hawkins reported that the minutes of the last meeting had been lost, apparently in the auditor's office, so no minutes were available.

Financial statement was read and approved on a motion by Kline and a second by McPherson.

DUPLEX POLICY: The Walden & Wilkerson, Inc., tap has been sold to a Mr. Walter Pounds. Mr. Pounds is apparently using the building as a duplex, housing two families. Written agreement with Walden and Wilkerson, Inc., was that the building with one tap could be used for multi-family, seasonal migrant labor, or as a single-family, permanent residence. Mr. Pounds does not wish to purchase another tap and is

asking the Board to re-consider its policy. Transfer of the membership has not been completed pending resolution of this matter. After discussion, it was MOVED by Sheppard,

SECOND by McPherson, to continue with the policy of one household per member; however, that in this particular case where there was only one plumbing system, it would not be necessary to install a second plumbing system or a separate meter until such time as it was necessary to determine the amount of water used by each unit. MOTION CARRIED.

Inquiry has been made as to whether or not we can serve the area lying south and west of the old Cedaredge water intake on the west bank of Surface Creek; this is in addition to and further away than the inquiry made a couple of years ago. It was MOVED by Kline,

SECOND by Sheppard, that since this area cannot practically be served by the Town of Cedaredge or the Town of Orchard City, that this company be agreeable to serving that area. MOTION carried.

An inquiry has been made by a Mr. Moore into the feasibility of supplying water to property he was considering purchasing in the Payne Siding area south of Redlands Mesa. This would require approximately  $1\frac{1}{4}$  miles of new line and the up-grading of about  $1\frac{1}{4}$  miles of existing line from Redlands Mesa to the Hepting property. The Board agreed the property could be served by Mr. Moore's standing all the costs of the new line and the major cost of up-grading the existing line.

Secretary Hawkins reported on serious operational problems encountered throughout the summer due to heavy use. He stated there had been a number of times throughout the summer when we had experienced severe water shortage on extreme upper Cedar Mesa and the Farley Hill area, and that this had caused a water shortage on Redlands Mesa. He stated that we had experienced a small amount of this in previous years and had planned to alleviate this problem by installing an additional storage tank on Upper Cedar Mesa.

However, extensive testing indicated that a storage tank at this time might not entirely solve the problem due to a severe water shortage at that point, and a reasonable solution seemed to be that an additional line be constructed from the main storage tank on the upper end of the system to the Upper Cedar Mesa line where it crosses Surface Creek, a distance of one mile.

Estimated cost of this line is \$27,000.00. This is based on a quote from Peterson Excavating to do the installation using his crew and equipment at \$135.00 per hour, estimated to total \$10,000.00. The major part of this line would be on Darrell Geyer's property. Mr. Geyer has been contacted and is agreeable to the line and its proposed location; however, since this company and the Town of Cedaredge have extensive facilities on Mr. Geyer's property, it is believed that he will request some remuneration for a new easement, and improvements to the access through his property to the pipeline and facilities. These would be unknown costs at this time, but



(More Aug. 27, 1984)

total costs would be considerable less than the cost of a new storage tank, and would eliminate the need for a storage tank at least for several years.

Board members were in complete agreement with the proposal.

It was MOVED by Sheppard,  
SECONDED by McPherson, to proceed with the proposed project and that we hire Peterson Excavating to do the installation at his quoted price of \$135.00 per hour, and that Secretary Hawkins be authorized to negotiate with Darrell Geyer for the right of way, and that funds for the project be drawn on the Reserve Account. MOTION CARRIED.

There being no further business, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Secretary

MINUTES OF BOARD MEETING OF DECEMBER 4, 1984, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips. Board members present were: Burgess, Hawkins, Kline, McPherson, Phillips, and Sheppard.

The secretary read the minutes of the last Board meeting, which were approved as read. Financial reports were distributed and discussed and approved on a motion by Sheppard, seconded by Kline.

Secretary John Hawkins reported that the new line construction on Upper Surface Creek was completed on schedule with a slight over-run in costs by contractor Peterson Excavating.

Hawkins stated that he continues to get inquiries about water service to the Payne Siding area but no serious plans have been revealed.

Dan Hawkins was present and explained the need to purchase a compiler for the computer at a cost of approximately \$300.00. This was needed to improve and advance the programming of the computer. It was MOVED by McPherson, SECONDED by Kline, to authorize the purchase of the compiler.

Dan Hawkins advised the Board that he had used the computer to a small extent in developing a program for Redlands Mesa Water Users to be used in setting division boxes on the irrigation water system, and asked for direction from the Board as to whether this should be continued and if so, what kind of compensation we should expect.

After some discussion, it was MOVED by Sheppard, SECONDED by Kline, to permit the use of the computer by such an organization on a limited scale and that Dan advise the Board of a reasonable rate. MOTION CARRIED.

The secretary presented a proposed budget for 1985. After a thorough discussion, it was MOVED by McPherson, SECONDED by Kline, that the proposed budget be approved and presented to the stockholders at the annual stockholder's meeting on December 11.

There being no other business, the meeting adjourned.

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John Hawkins, Secretary

MINUTES OF BOARD MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION OF JULY 24, 1985 AT HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m.

Members present: Phillips, Sheppard, McPherson, Kline, Burgess and Hawkins.

Minutes of the previous meeting were read and approved as read.

Monthly financial reports were distributed and discussed, and approved on a MOTION by Sheppard; SECOND by Kline.

Hawkins reported that we had experienced extremely heavy use of water this summer, and that the new line installed last fall had done an excellent job of eliminating the problems experienced last year.

He also reported that the replacement of old Redlands Mesa line is basically complete except for two regulator stations that need to be replaced, and a few meters yet to be installed.

He also reported that we had been having leak problems due to line deterioration where the galvanized line crosses Current Creek between Cactus Park and Dry Creek, this line deterioration apparently being due to heavy alkali deposits in the soil. He stated that some pipe would have to be replaced and that he felt that enough pipe should be replaced to get out of the problem area and to replace the pipe the full length of difficult terrain which could be as much as 1,000 feet. The Board agreed that the difficult terrain should be spanned and that we should go beyond the pipe deterioration area as determined by pipe appearance.

Hawkins gave the Board an up-date on the property tax situation, stating that rural domestic water companies who had previously not been taxed were assessed property tax for 1984, payable in 1985, this company's tax being approximately \$30,000.00.

(more)

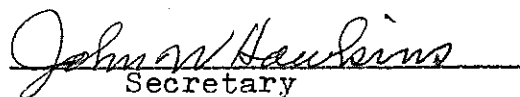
Legislation was passed by the State Legislature to exempt rural domestic water companies from this tax, provided proper application be made for exemption and that exemptions be granted by the State Property Tax Administrator. Our application has been submitted. The Legislation had an effective date of January 1, 1985, and did not make provision to eliminate the 1984 tax, which had been assessed. After discussion of this matter with the County Assessor and the County Commissioners, it appeared appropriate for the water companies to request an abatement of this tax, or a refund if the tax had been paid. It also seemed appropriate that this should be a joint effort of the various other companies.

After considerable discussion, it was MOVED by McPherson, SECOND by Burgess, that, since this Company is the largest rural domestic water company in the County, that we take the lead in organizing the other water companies in pursuing this matter, and that Secretary Hawkins be authorized to set a meeting date and place and notify the other companies. MOTION CARRIED.

There was discussion on the fee that should be charged a local irrigation water company for the use of our computer. Dan Hawkins, who operates the computer, has stated that he felt \$10.00 an hour would be a fair price, just for the computer. Any operator time would be a separate item. MOTION by McPherson, SECOND by Kline, that we charge \$10.00 an hour for the use of the company's computer for irrigation water companies or similar type organizations. MOTION CARRIED.

There being no further business, the meeting adjourned.

Respectfully submitted,

  
Secretary

MINUTES OF MEETING OF BOARD OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD SEPTEMBER 12, 1985, AT HOME OF BOB PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips.

Board members present were: Phillips, McPherson, Sheppard, and Hawkins.

Minutes of the previous meeting were read and approved as read.

Monthly financial reports were distributed, discussed and approved on a motion by Sheppard, second by McPherson.

The Secretary presented a plat received from the Delta County Planning Department for the Marvin Dunn Subdivision on 2425 Road and for which they were requesting water service from the Association. After discussion, it was MOVED by Sheppard, SECOND by

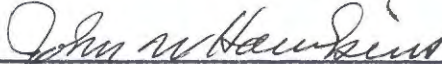
McPherson, that the Association agree to provide water to this 3-lot subdivision which already has one house with one tap provided: (1) the developer purchase one membership at the time of final approval of the subdivision by the County, and one tap within 18 months of final approval by the County; (2) that the developer install the water line to all lots in the subdivision at his expense and to Association specifications, and that the Association's line be connected to on the South side of R-75 Road approximately 300 feet West of the proposed subdivision; (3) that a small seedling apple tree be removed from over the existing water line in the SouthEast corner of the existing lot. MOTION CARRIED.

In the matter of the County Property Tax, it was reported that an abatement of the tax had been petitioned for and that the County Assessor had denied the abatement; but that the County Commissioners, at a hearing on the petition, had approved the abatement; and that it is now before the State Tax Administrator for approval or denial.

Secretary Hawkins reported that the Current Creek crossing had been completed and that a thousand feet of galvanized pipe had been replaced with Schedule 40 PVC and that a pressure reducing regulator had been placed in that line to eliminate the un-needed pressure in that line.

Hawkins also reported that there was a potential problem arising with Mr. Victor Girardi, wherein the Girardis had purchased the property and one water tap from Mr. Buck Parker on Redlands Mesa. It is now evident that there are three mobile homes on this property, all of which are connected to the one water tap. Mr. Girardi has been involved in an illegal connection to the system previously and it is anticipated that this will not be a simple matter to resolve. It was agreed by the Board that the policy and by-laws regarding one household per membership be strictly adhered to and that no exceptions be made in this case.

There being no other business, the meeting adjourned.

  
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John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING HELD DECEMBER 3, 1985 at THE HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m. Board members present were: Phillips, Fred Burritt; Rolland Sheppard; Herschel Burgess; Herman Kline; and John Hawkins.

Minutes of the last meeting were read and approved as read.

Monthly financial statements were distributed and discussed, and approved on a motion by Kline; Second by Burritt.

Secretary Hawkins reported on the property tax situation, stating that the State Property Tax Administrator had denied our petition for abatement and that this Association had joined with the other rural water companies in the County in an appeal to the State Board of Assessment Appeals. No response has been received from that appeal to date.



The matter of multiple households on a single tap in the case of Victor Girardi was discussed. There had been no change in this use since our last meeting, and there appeared to be a great deal of discrepancy in the Girardi's discussion with Secretary Hawkins and with Chairman Phillips. After discussion, it was MOVED by Sheppard

SECOND by Burgess, That the Secretary be instructed to notify Victor Girardi that arrangements must be made with the Association by January 1, 1986, to purchase additional taps or sever the additional houses from the system, or service will be disconnected. MOTION CARRIED.

Secretary Hawkins presented a proposed budget for 1986.

After line-item discussion, it was MOVED by Burgess, SECOND by Burritt, That the proposed budget be approved and that it be presented to the stockholders at the annual stockholders meeting December 10, 1985. MOTION CARRIED.

There being no further business, the meeting adjourned.

  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION HELD FEBRUARY 4, 1986, AT HOME OF BOB PHILLIPS

The meeting was called to order at 8 p.m. by Chairman Phillips, with board members present being Phillips, Sheppard, Burgess, Kline, Hawkins.

Minutes of the previous meeting were read and approved.

Monthly financial reports were distributed, discussed, and approved on a motion by Burgess, second by Kline.

Alice Bingham, Marcie Peterson, and Holly Jones were present and requested permission of the Board to sell an extra tap owned by Alice Bingham that was purchased by Ray Bingham when he developed Panorma Heights Subdivision. The agreement with Mr. Bingham at time of purchase was that taps would not be sold outside of the subdivision without permission of the Board. After discussion, it was

MOVED by R. P. Sheppard that because of the circumstances in this particular situation, the Board approve of Mrs. Bingham's selling her extra tap outside of the subdivision.

SECOND by Herman Kline. MOTION CARRIED.

Hawkins reported that the Victor Girardis had asked permission to wait until April to purchase an additional membership for their property on Redlands Mesa where they currently have multiple use on one tap. The Board agreed to this.

Hawkins reported that he had reviewed the billing for water treatment from the Town of Cedaredge and that it appears there is a major error in the way the plant operating costs were being divided between the Town and this Association. Hawkins was asked to meet with Ed Marah, of the Town, and see if the discrepancy could be resolved.

There being no other business, the meeting adjourned.

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John Hawkins, Secretary

MINUTES OF MEETING OF JULY 30, 1986, HELD AT HOME OF R.E.PHILLIPS

The meeting was called to order by Chairman Phillips at 8:00 p.m. All Board members were present.

Minutes of previous meeting were read and approved as read.

Monthly financial reports were distributed, discussed, and approved on a motion by Sheppard, a Second by McPherson.

Hawkins reported on the tax situation. He stated that a hearing had been held in Denver before the Board of Assessment Appeals and that the Board had upheld the Tax Administrator's decision that the 1984 taxes should be paid. Attorney Jim Briscoe has filed an appeal to that decision in District Court, Seventh Judicial District. The Board of Assessment Appeals did rule that this Association is eligible for exemption from tax. Hawkins stated that he had appeared in person before the Tax Administrator in Denver on May 6 to inquire why we had not received our exemption certificate. Their only excuse was a backlog and that we should have it within two months. It was MOVED BY BURRITT, SECOND BY McPHERSON, That we prepare a complete documentation of the tax situation to be put in the form of a letter to all the stockholders and our State Legislators so that they could all know the history of the situation and of our attempt to get the tax abated and an exemption certificate issue. MOTION CARRIED.

Hawkins reported that he had had numerous talks with Ed Marah of the Town of Cedaredge regarding the discrepancy in the billing for water treatment by the Town. It appears that we have been overcharged approximately \$2,400.00 for water treatment; however, it also appears that we were not charged for our share of medium replacement for the treatment plant in 1984. This is about equal to what the Town owes us and both will be taken care of if the Board approves. Since the new treatment plant is now on line, the Town feels that a new water treatment agreement is appropriate and has asked for a meeting of this Board and the Town Council next Tuesday, Aug. 5. The Board agreed to that meeting date.

There being no other business, the meeting adjourned.

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John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
SPECIAL  
MINUTES OF/MEETING OF AUGUST 8, 1986, AT HOME OF R.E.PHILLIPS

The meeting was called to order at 8 p.m. by Chairman Phillips. Members present were Phillips, McPherson, Burgess, Sheppard, Kline, and Hawkins. This was a special meeting to discuss the August 5 meeting with the Town of Cedaredge. Chairman Phillips reported on the items discussed at that meeting:

(1) New Water Treatment Agreement. The Town is willing to enter into a new agreement incorporating the old plant and the new plant in one agreement and amortizing the repayment over a yet to be determined period of time, but preferably less than the 40 year period which was set up in the original agreement. It was MOVED by Kline, SECOND by McPherson that the Board agree to a new agreement incorporating both plants, amortized over a minimum of 25 years. MOTION CARRIED.

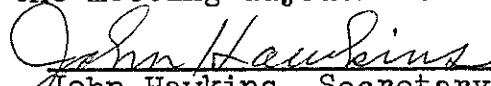
(2) Our share of the Medium Replacement that we were not charged for in 1984. It was MOVED by Sheppard; SECOND by McPherson that we agree to pay our share of the Medium Replacement. MOTION CARRIED.

(3) Hydro-Electric Plant. The Town has a grant for feasibility study for a hydro-electric generating plant in the pipeline and would like to know what our position is regarding that. It was MOVED by McPherson, SECOND by Kline, that this Board be in favor of the feasibility study and that if a plant is to be installed in the common line that this Association participate in the funding, operation, and benefits. MOTION CARRIED.

(4) Leon Creek Extension. The Town is interested in extending the water collection system into Leon Creek, and asked for this Board's position on that. It was MOVED by Kline, SECOND by McPherson, that this Board be in favor of this extension as early as possible and that we be agreeable to participating in the funding. MOTION CARRIED.

There was some discussion as to whether or not grants for both treatment plants should be included in the repayment schedule. This should be discussed with the Town. There was also some discussion as to the possibility of this Association's paying some up-front money in order to reduce the annual costs later. Another meeting has been set with the Town for August 21.

There being no other business, the meeting adjourned.

  
John Hawkins, Secretary

MINUTES OF NOVEMBER 11, 1986 MEETING OF BOARD OF DIRECTORS OF  
UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION

The meeting was held at the home of Bob Phillips. Chairman Phillips called the meeting to order at 8 p.m. All Board members were present.

Minutes of the last meeting were read and approved as read.

Monthly financial statements were distributed, discussed, and approved on a motion by Kline, Second by Burgess.

Hawkins brought up the matter of the Dunn Subdivision, which had been on hold for a year or more. He stated that plans for the subdivision had been reduced to where there would only be one additional lot and that the owners had requested that the one lot be served domestic water from the existing line to the existing house in that subdivision. It was Moved by Sheppard, Seconded by Kline, that this be allowed. MOTION CARRIED.

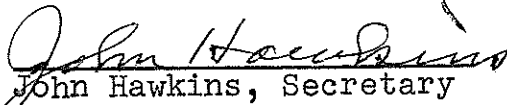
Hawkins reported on the property tax situation, stating that political pressure had been applied to the State Tax Administrator and that our Tax Exemption Certificate was issued October 14, effective January 1, 1985, which leaves only the 1984 tax unresolved, the appeal of which is still in District Court.

Hawkins also reported that he had had some discussion with Ed Marah of the Town of Cedaredge on the water treatment plant agreement. Mr. Marah indicated that they had been unable to find any documentation that the old treatment plant was paid for partly with grant money from FmHA. However, this Association has a letter in our file indicating the plant was funded 49% grant and 51% loan. Mr. Marah asked to see that letter. Hawkins then presented preliminary estimates of our costs for the new treatment plant, using different scenarios including grant and non-grant for the old plant. It was suggested that since we had not made expenditures for capital improvements this year that we consider making an up-front payment on our share of the treatment plant, possibly as much as \$50,000.00.

The 1987 budget was then discussed. It was moved by McPherson, second by Burgess, that Hawkins prepare a 1987 budget based on past year's experience and including \$50,000.00 capital expenditures to the new treatment plant. MOTION CARRIED.

The Board was reminded that the Annual Stockholders Meeting would be December 9 at 7:30 p.m. at the Community Center in Cedaredge with 3 board members to be elected.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary



MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS, HELD DECEMBER 17, 1986, AT HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m. with members present: Phillips, Burgess, McPherson, Sheppard, Kline and Hawkins.

Minutes of the last meeting were read and approved.

Financial statements were presented, discussed, and approved on a motion by Kline, and second by McPherson.

A letter from attorney Jim Briscoe was presented, concerning the company policy of allowing taps which have been installed to be sold separate from the property. After considerable discussion, it was the consensus that since the letter did not specifically address the legality of that policy, that there should be no change in policy.

Hawkins reported that Ed Marah was ready to prepare a draft agreement between the Town of Cedaredge and this Association for this Association's purchase of one-fifth of the water treatment plant, and he needs to know how much up-front we plan to pay. Cost of the new plant is \$479,762.00, less grant of \$97,310.00, for a net cost of \$382,452.00. Cost of the old plant was \$237,810.00, less grant of \$116,880.00, for a net cost of \$120,930.00. Less principal paid of \$8,640.00 leaves a balance of \$112,290.00, for a total of old and new plants of \$494,742.00, one-fifth of which would be \$98,948.00.

After considerable discussion, it was  
MOVED by Kline,  
SECOND by Burgess, to pay \$50,000.00 up-front and plan to make another large payment next year.  
MOTION CARRIED.

There being no other business, the meeting adjourned at 9:30 p.m.

John Hawkins  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, HELD APRIL 7, 1987 AT HOME OF  
BOB PHILLIPS

The meeting was called to order by Chairman Phillips at 8 p.m., with board members present being McPherson, Sheppard, Kline and Hawkins.

Minutes of the previous Board meeting were read and approved.

Monthly financial statements were distributed, discussed, and approved on a motion by Kline, second by Sheppard.

Hawkins stated that the Town of Cedaredge had requested a statement from the Association describing the terms we would like in our new water treatment agreement, and he presented a draft letter to the Town for the Board's consideration, which agreed to an up-front payment of \$50,000.00 and a note to the Town of Cedaredge for the remainder of approximately \$48,000.00 to be paid in 10 annual payments plus interest for the purchase of one-fifth interest in the water treatment facility.

It was MOVED by McPherson,  
SECOND by Kline, to approve the letter as presented except to change the 10-year period of payment to 25 years, which had been discussed and agreed to earlier with the Town. MOTION CARRIED.

The Board stated that all existing agreements with the Town should remain in force except for the old water treatment agreement.

Hawkins commented on the Redlands Mesa system, stating that except for the Hilsen line going off Redlands Mesa, the only line that has not been replaced is one-half mile to a Marvin White tap. He stated that one new tap had been placed on this line and that this past winter we had experienced difficulty providing sufficient water to the White tap, and would like to see this line replaced. Without formal action, the Board agreed to the replacement of this line before winter.

There being no further business, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Secretary

1  
Production Credit Association filed action in District Court to have the two Henderson taps transferred to PCA. The Court ruled that the taps are an integral part of the property and essential to the operation of the property and that the taps are represented by certificates, and ordered these stock certificates transferred from the Hendersons to PCA.

The Redlands Mesa Fire Department has asked permission to install fire hose connections at some of the valve houses on Redlands Mesa. It was MOVED by Burgess,  
SECOND by Sheppard, that the installation of fire hose connections be permitted with Association supervision.  
MOTION CARRIED.

Hawkins presented a work sheet explaining the benefits of FmHA's offer to us of a discount purchase of our loans. Since the discount rate was considerably less than originally anticipated, the benefits, if any, did not justify eliminating our entire Reserve Account and possibly require the borrowing of money at a much higher rate of interest.

MOVED by Burgess,  
SECOND by Sheppard, that we decline the buy-out offer from FmHA and that our "good faith" payment be applied on our final principal payments. MOTION CARRIED.

2  
Hawkins reported that he and Cedaredge Mayor Ed Marah would be meeting with attorneys Jim Brown and Jim Briscoe the following day in hopes of finalizing the purchase and operating agreement with the Town of Cedaredge for the Water Treatment Plant. The Board was in agreement that we should stay with the original plan of equal principal payments with interest on the unpaid principal balance for 25 years, with the right to pay off any part or all at any time.

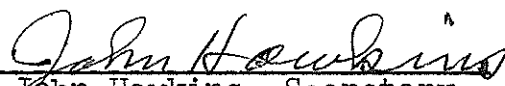
In April of this year we had a water line break in Timberline Subdivision. In the process of repairing the leak, damage was done to an underground electric cable belonging to Delta Montrose Electric Association, which we were unaware existed in our water line trench. DMEA has billed us \$1,171.49 for repair to the cable. The Board was in agreement that since this electric cable had been placed in our water line trench without our knowledge or approval, that we should not be responsible for the damages and should refuse to pay the bill.

3  
Kelly Peterson has purchased the Ellamae Vandeburg house on Wilbanks Mesa and will be living there year-round. There are on-going problems at that location. In the summer, when the main line use is heavy and pressure is reduced, the storage tank on the hill above this house fills at night as planned, but empties out rapidly, without any evidence of where it goes. In the winter the tank fills, and spills 8 to 10 gallons per minute, which is an unnecessary waste and which adds to our percentage of water treatment costs in the winter time. Hawkins asked if there was

(Minutes of Meeting of Nov. 3, 1987, cont'd)

originally a line directly to the house before the tank was installed that could be used in the winter time with perhaps some modifications for summer use. The records are not clear on this, and Board members could not recall. It was decided to do some exploring with the backhoe to see what could be found and proceed from there.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary



MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION OF JUNE 9, 1987, HELD AT THE HOME OF BOB PHILLIPS.

Board members present: Chairman Phillips, Burgess, McPherson, Kline, Sheppard and Hawkins. Dan Hawkins was also present.

Phillips called the meeting to order at 8 p.m. Minutes were read and approved.

Financial statements were distributed and discussed and approved on a motion by Kline and a second by McPherson.

Production Credit Association and Federal Land Bank have taken possession of the Ed Henderson property. The Hendersons own two memberships in this Association that were not listed as collateral to PCA or FLB and would like to sell them. PCA has asked us to transfer these memberships to them. This we declined to do without direction from the Hendersons or from the Court. PCA will file action with the Court to have them transferred, naming us as co-defendant. We'll see what happens.

Hawkins stated that there is reasonable evidence that we are losing water via piracy at or near the Mann Rowley tap and would like to move the meter out onto the County road right of way where it would be more accessible to us and less accessible to others. The Board agreed.

The State Highway Department is planning to move its maintenance shop from south of Cedaredge to about 1,000 feet south of U-50 Road on the west side of Highway 65, and has inquired about getting water from this Association. We have a 3 inch line on the east side of Highway 65 at U-50 Road but none on the west of 65, and the area has not been designated as our service area. However, the Town of Orchard City indicated in writing that they cannot feasibly serve that location and ask that they get water from this Association if possible. It was MOVED by Sheppard, SECOND by McPherson, that the Association agree to serve this location and the Association furnish pipe and valves to cross the Highway; the State will pay for 2 inch pipe south to the shop and pay for all excavation and installation. MOTION CARRIED.

The Delta County Road Department is in the process of rebuilding and preparing to pave T 50 Road from 2375 Road east to Don Petersen's and the Association's 4 inch main. We have a 1 inch galvanized line in what will be the center of the pavement on the newly constructed road. It is recommended we enlarge and relocate this line to outside of the pavement. The Board approved.


James Pinkerton, who lives on the east bank of Surface Creek on S 25 Road, approximately 2,000 feet west of our main line on 2425 Drive, has asked for service. There is no Association line on that portion of S 25 Road. We have one uninstalled membership on that road, and potential for others. The Board agreed that it was to the interest of the Association to have a line along

that road and agreed to apply Mr. Pinkerton's membership to the cost of the line plus an additional approximately \$1,000.00, depending upon final cost.

Ben Kramer has purchased property on Redlands Mesa, with residence approximately 1,000 feet east of 2640 Road. 2640 Road does not have a water line. Mr. Kramer has two options: (1) Start on N Road, go south approximately 1,500 feet with a private line across private property, not his; or, (2) Start on N Road and go South on 2640 Road 1,500 feet, then east to his residence 1,000 feet. He is willing to pay  $\frac{1}{2}$  the cost of the line on 2640 Road. The Board agreed that any line on 2640 Road would be a step towards completing the grid on that part of Redlands Mesa, which would be in the interest of the Association, and approved the project.

Hawkins reported that FmHA has offered us the opportunity to purchase our loans from the Federal government at a principal discount of an estimated 20%. In order to qualify we must make a "Good Faith" deposit of 5% of the unpaid principal balance before July 10 which if not used for purchase of the loans would be applied to unpaid principal. MOVED by Sheppard, SECOND by McPherson, to make application and good faith deposit, reserving the right to reject the final offer. MOTION CARRIED.

There being no further business, the meeting adjourned.

  
\_\_\_\_\_  
John Hawkins, Sec.-Treasurer

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD NOV. 3, 1987, 7:30 P.M. AT HOME OF CHAIRMAN ROBERT E. PHILLIPS

Board members present were: Phillips, Sheppard, Burgess, and Hawkins.

Minutes of the last meeting were read and approved.

Monthly financial statements were distributed, discussed, and approved on a motion by Sheppard, second by Burgess.

Hawkins reported that all of the new construction and improvement projects that had been discussed and approved at the June 9 meeting had been completed and had all been paid for without drawing any funds from the Reserve Account.

Hawkins reported that the Association's property tax situation had been appealed to the District Court and that the District Court had ruled in our favor, and that the State had appealed that decision to the State Court of Appeals. The water companies involved had offered to pay their own attorneys' fees if the State would drop the appeal. The State declined to accept the offer and the case is yet to be reviewed by the Court of Appeals.

MINUTES OF MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS  
BOARD OF DIRECTORS, DECEMBER 4, 1987, AT HOME OF BOB PHILLIPS.

The meeting was called to order by President Bob Phillips at 7:30 p.m. with board members present being Phillips, Burgess, Sheppard, McPherson, Burritt, and Hawkins.

Minutes of the last meeting were read and approved.

Financial reports were distributed, discussed, and approved on a motion by Burgess and a second by Burritt.

Hawkins reported on the Kelly Peterson line on Wilbanks Mesa that was discussed at the last meeting. It was found that there was only one line, that went from Osborn's direct to the storage tank, and that it was ABS plastic. In the absence of President Phillips, who was on vacation, some of the board members decided the line should be replaced before too cold of weather, if possible. This was done by installing a new 2-inch line from Osborn's direct to the Peterson house, leaving the storage tank floating on the line for peak or emergency use. Provisions were made to keep the water in the tank fresh at all times. The board approved of this action.

Phillips reported that the Agreement between this Association and the Town of Cedaredge had been finalized and signed before he went on vacation. The Agreement provides for this Association to purchase one-fifth interest in the water treatment plant for \$98,948.00, with 25 years equal principal payments at 5% on unpaid balance.

Phillips also reported that he and Hawkins had met with the Town Council regarding the common line improvement and it was their recommendation that since during peak use we are at or near our one-fifth capacity of the line, we should participate in any improvements to that line. It was

MOVED by Burgess

SECONDED by McPherson, that we participate with the Town on common line improvement.

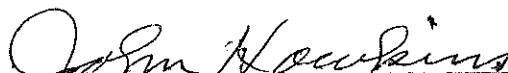
MOTION CARRIED.

Hawkins stated that Steve Hinchman had inquired about a water tap on the upper mesa of the old Jess Harris place off 2475 Road. He was assured that he could purchase a tap, but there was a very good chance there would be periodic shortages until line improvements were made on 2475 Road. The Board agreed that the 2475 Road line should be replaced, but no action was taken pending his purchase of a tap and a test of the service.

Hawkins presented a proposed budget for 1988, which was reviewed.

It was MOVED by McPherson,  
SECONDED by Burritt, that the proposed budget be approved and presented to the stockholders for approval at the annual meeting December 8. MOTION CARRIED.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF UPPER SURFACE CREEK DOMESTIC WATER USERS  
HELD AT THE HOME OF BOB PHILLIPS ON MAY 3, 1988

The meeting was called to order by President Bob Phillips at 8 p.m. with board members present being Phillips, Burgess, Sheppard, McPherson and Hawkins.

Minutes of the last meeting were dispensed with as they had been temporarily misplaced.

Monthly financial reports were distributed, discussed and approved on a MOTION by Burgess and a SECOND by Sheppard.

Secretary Hawkins stated that Farmers Home Administration had offered a new discount purchase plan for our loans. Although an exact status of our loans has not yet been determined, preliminary information indicates the purchase price would not exceed 73% of the unpaid principal balance. Principal balance at this date being \$118,820.00, with an estimated pay-out to maturity, the estimated purchase price of \$86,795.00 would be a savings in payments of \$56,864.00. With \$85,000.00 in the Reserve Account, and \$5,000.00 in the bank account, we have sufficient funds to make the purchase without borrowing money. After considerable discussion, it was

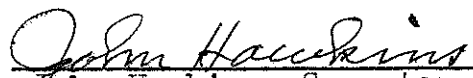
MOVED by Sheppard,  
SECONDED by McPherson, that we make the  
required 5% "good faith" deposit and  
sign the statement of intent to purchase  
all four loans.  
MOTION CARRIED unanimously.

As a follow-up of discussions by the Board last year and by the stockholders at the annual meeting concerning heavy water use for irrigation, Dan Hawkins was present and presented a computer print-out on water used in various categories in gallons and the revenue from these categories, and offered a suggested rate change proposal.

After a great deal of discussion, it was

MOVED by Burgess,  
SECONDED by Sheppard, that since an excessive use of water for irrigation by a few members is causing a shortage of water in some sections of the system, it will be necessary either to curtail the use of water or expend large sums of money to enlarge the system in some areas, that we attempt to reduce the water use by establishing a higher rate for heavy use, that this be a trial rate for summer use only, and that the rate increase be: For 15,001 to 30,000 gallons, .25 to .35 per 1,000 gallons; For 30,001 to 50,000 gallons, .50 to .85 per 1,000 gallons; For over 50,000 gallons, \$1.00 to \$1.50 per 1,000 gallons and that the rates become effective June 1, 1988.  
MOTION CARRIED.

There being no other business, the meeting adjourned.

  
John Hawkins, Secretary



TO: Stockholders and Water Users,  
Upper Surface Creek Domestic Water Users Association

FROM: Board of Directors

SUBJECT: New Water Rates - Excess Water Use Summer, 1988 (May 27)

Those of you who attended the annual stockholders' meeting last December will recall considerable discussion regarding excess water use for irrigation and its affect on our distribution system.

The consensus of those members present was that, since this Association was organized for the primary purpose of providing domestic water to the farm homes in the community, those members using excessive amounts of water for irrigation should either curtail the use for that purpose or pay their fair share of the cost of system improvement.

A computerized analysis was prepared for the water used in various quantity categories and the revenue from those categories. From that the Board of Directors has adopted a trial rate schedule for the remainder of this summer season. The results will be analyzed for its effectiveness. For the present, the old rate will be the regular rate, and the new rate will be the summer rate.

The new rates will be reflected in your July 1 billing for water used in the month of June. Below is the new rate per 1,000 gallons for categories, in gallons, with the old rate for your comparison.

BASE RATE (Gallons):

	0 to 7,500	7,501 to 10,000	10,001 to 15,000	15,001 to 30,000	30,001 to 50,000	Over 50,000
Regular Rate:	\$12.00	.70	.50	.25	.50	\$1.00
Summer Rate:	\$12.00	.70	.50	.35	.85	\$1.50

We hope you will all understand and cooperate with us in this effort.

BOARD OF DIRECTORS  
Upper Surface Creek Domestic  
Water Users Association

  
John Hawkins, Secretary

MINUTES OF A MEETING BETWEEN  
THE BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
and  
THE CEDAREGE TOWN COUNCIL  
HELD AT THE CEDAREGE TOWN HALL  
OCTOBER 13, 1988 , 7:30 P. M.

Association Board members present: Phillips, McPherson, Burgess, Sheppard, Kline and Hawkins.

Cedaredge Mayor Ed Marah opened the discussion by expressing displeasure with the way the Association Board reacted to a newspaper story, which had addressed the progress of the proposed hydroelectric plant on the common line; he suggested it was time to consider severing our common ownership and operating agreements. He stated the Town would be willing to forgive our indebtedness to the Town for our share of the treatment plant.

Pearl Basher, of the Council, stated that Upper Surface Creek should remove all of its facilities from common ownership with the Town, and provide its own separate facilities. When asked if that is what the Town wants, she answered in the affirmative and Council members nodded in agreement. None of the Council members disputed that reaction.

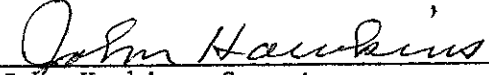
Marah stated that the letter of August 30, 1988 from our attorney to the Town's engineering firm, notifying the firm of our joint ownership of the line, was totally uncalled for. He stated that a simple telephone call would have prevented all this. Jim Brown said that a letter from our attorney should have been channeled through him as the Town's attorney.

Association Board Chairman Bob Phillips countered by agreeing that a simple telephone call was appropriate, but that it should have come from the Town to Upper Surface Creek.

Marah said the reason for not contacting us was that nothing had been done. He later, however, made the contradictory statement that they hoped to go to bid within a month.

Phillips said he took full responsibility for the letter from our attorney. In review, he stated that in August of 1986, the Town and Upper Surface Creek had a verbal understanding that if a hydroelectric plant is to be built or considered on the common line, Upper Surface Creek would participate in the planning, costs, and benefits. Since that date, not one word on the subject had been received from the Town. In late August we learned from an outside source that the plant was about ready for construction. Needless to say we were very disturbed by this and took the action that was felt to be appropriate at the time.

Although there was considerable discussion between the parties, the meeting just sort of dissolved without any decisions, action, or direction as to how to proceed from there.

  
John Hawkins, Secretary  
Upper Surface Creek Domestic  
Water Users Association

MINUTES OF A MEETING BETWEEN  
THE BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
and  
THE CEDAREIDGE TOWN COUNCIL  
HELD AT THE CEDAREIDGE TOWN HALL  
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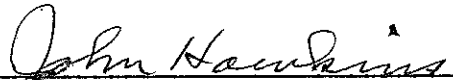
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John Hawkins, Secretary  
Upper Surface Creek Domestic  
Water Users Association

MEETING OF BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, AUGUST 24, 1988, AT THE HOME OF BOB PHILLIPS.

Board members present were: Phillips, McPherson, Burgess, Sheppard, Kline, and Hawkins.

The meeting was called to order by President Phillips, at 8 p.m.

Minutes of meetings of May 3, 1988, and December 4, 1987, were read and approved.

Monthly financial statements were distributed, discussed, and approved on a

MOTION by Sheppard,  
SECOND by McPherson.

Hawkins reported that the FmHA loan purchase agreement had been finalized and was closed June 30. The principal balance was \$118,820.82. The purchase price was \$86,795.77 -- 66% of the principal balance. By deducting the good faith payment and adding accrued interest, the final payoff was \$77,750.03. Sufficient funds were available in the Reserve Account for full payment. If the loans had been carried to full maturity, the total payments would have amounted to \$143,659.78, making a saving of \$56,864.01.

Steve Hinchman was present to complain about water being off intermittently at his house since being hooked up earlier in the summer. This problem was anticipated and had been discussed earlier by the Board, the solution being to install a larger line along 2475 Road for about 2,000 feet.

MOVED by Sheppard,  
SECOND by McPherson, to authorize construction of this line before winter. MOTION CARRIED.

Hawkins reported that he and Steve Harper from attorney Brisoco's office had attended verbal arguments on our property tax problem before the Appeals Court in Denver on August 2, 1988. No decision was made at that time, nor any indication of when one would be. Harper indicated it may be months.

James Pinkerton, who benefited by a new water line installed on S-25 Road in 1987 owes \$900.00 for partial payment on that line due now. He has asked if he could pay \$100.00 per month until paid. The Board approved.

A Mr. Rusk Smith, who owns property on the southeast side of Cactus Park, has inquired about getting water to his place. He was informed that in order to receive adequate service and retain good service to the rest of that area, he should build a line to the 1½-inch line in Cactus Park. The Board agreed. Mr. Smith lives in Pennsylvania and may decide to delay a few years.

Dan Hawkins was present and discussed the effect of the new summer rates for water. A preliminary review of the first two months indicate a considerable decrease in water use from the same two-months' period last



year. We still had a short term problem getting water to Redlands Mesa due to excessive use along the eastern part of Q Road on Cedar Mesa. This was eased by personal contact with heavy users in that area.

There being no other business, the meeting adjourned.

  
John Hawkins, Secretary-Treasurer

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD DECEMBER 1, 1988, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order at 8 P.M. by Chairman Phillips. Board members present: Phillips, Burgess, McPherson, Sheppard, Kline and Hawkins.

Minutes of the last Board meeting were read and approved as read.

Secretary Hawkins also read minutes of an informal meeting with the Town of Cedaredge concerning the proposed hydro-electric plant on the common line.

It was Moved by Burgess,  
Second by McPherson, that these minutes be approved and included with the regular Board minutes.

Motion Carried.

Monthly financial reports were distributed and discussed, and

Approved on a  
Motion by Burgess,  
Second by Kline.

Hawkins reported that the new line along 2475 Road had been completed, with Peterson Excavating doing the work.

Herb Briscoe has asked for a renewal of the water service agreement to his proposed Terra-Linda Subdivision, which has not yet been developed, as planned. After discussion,

It was Moved by Sheppard,  
Second by Kline, to renew the agreement with Mr. Briscoe for a period of 5 (five) years, with a provision for a waterline easement to this Association across the proposed subdivision property in the event the subdivision is not developed.

Motion Carried.

There was considerable discussion concerning the proposed hydro-electric plant, but there was no solid concensus as to direction, except to await and assess new information and developments.

The Secretary presented a draft of a proposed budget for 1989. After discussion, it was

Moved by Burgess,  
Second by Kline, that the proposed budget be approved and presented to the stockholders at the annual meeting December 13.

Motion Carried.

There was discussion of the difficulty of obtaining a quorum for the stockholders meetings.

Moved by Sheppard,  
Second by McPherson, that we check into the legality of reducing the quorum requirements for stockholders meetings.

Motion Carried.

There being no other business, the meeting adjourned.

*John Hawkins*, Secretary

BOARD MEETING OF MARCH 21, 1989, held at home of Board Chairman, Bob Phillips.

The meeting was called to order by Chairman Phillips at 8 p.m. Board members present were: Phillips, Sheppard, McPherson, Burgess, Kline and Hawkins.

Minutes of the last Board meeting were read by the secretary, and were approved as read.

Monthly financial reports were distributed, discussed, and approved on a motion by Burgess, Second by Kline.

Hawkins reported on the ongoing property tax situation. The State Board of Assessment Appeals had declined our request for a re-hearing, and the case has been appealed to the Colorado Supreme Court.

Anna Maudlin's water line from her meter to her house froze. She believes that when the line was installed there was an agreement with the former owner that because of the location of the meter for Association convenience, the Association agreed -- at least verbally -- to maintain that line.

MOVED by McPherson,

SECOND by Burgess, that since there may have been such a verbal agreement by some member of the Board, that the Association stand the cost of thawing the line this time and that we work with Mrs. Maudlin for a permanent understanding.

MOTION CARRIED.

Lonnie Brock has purchased a piece of property from Chuck Barnes on Q Road east of 2600 Road, and has requested a tap. This is an area where the Board had previously placed a moratorium on new taps because of the difficulty of supplying water through Dry Creek to Redlands Mesa. The Board agreed, however, that because of the expected low use on this tap and the planned improvements to the system in that area in the near future, that this tap should be approved.

A Mr. Mingus, who lives on "U" Road, west of Highway 65, was present, inquiring about possible water service to himself and possibly some of his neighbors.

MOVED by Sheppard,

SECOND by McPherson, that we not extend the system into that area at this time.

MOTION CARRIED.

Dale Cernusak and Austin Keiser were present representing Charles Church, requesting water service to a one-lot subdivision on the corner of Q-50 Road and 2500 Road on Cedar Mesa. It was agreed to provide service to this lot providing a membership is purchased, and the Association will stand the expense of installing larger pipe than is necessary for the one lot.

We had a request from the Delta County Planning Commission regarding water service to a two-lot subdivision by Raymond Bond on R Road on Cedar Mesa.

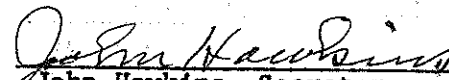
MOVED by McPherson,

SECOND by Kline, that we agree to provide water to this subdivision provided they buy one tap on approval of the Sub-division and another tap within three years.

MOTION CARRIED.

It was agreed by the Board that summer water rates should go into effect on May 1.

There being no further business, the meeting adjourned.

  
John Hawkins, Secretary

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MINUTES OF MEETING OF JULY 7, 1989:

The meeting was held at the home of Board Chairman Robert E. Phillips, who called the meeting to order at 7:30 p.m.

Other board members present were Bud Burgess, Fred Burritt, Secretary John Hawkins, Herman Kline, Floyd McPherson, and Porter Sheppard, constituting a full board.

Also in attendance were Association personnel Dan and Helen Hawkins, and the following stockholders: Mr. and Mrs. Armando Estrada; Ellis Fritchman; Ingval Hanson; Bennie Potts; Mr. and Mrs. Leonard Thompson.

The Secretary read the minutes of the last meeting; they were approved as read.

Financial reports were distributed, studied, and approved on a motion by Kline, second by Burritt.

Phillips invited those stockholders in attendance to present any concerns they might have.

Mr. Estrada expressed concern at having received a phone call from the Association requesting suspension of outdoor watering for a period of time. He asked for a definition of household water. He presented a list of household water conservation methods and asked that it be read aloud; it was, and is attached hereto. He stated that the Association's bills should indicate how many gallons are used. Phillips showed him an actual bill where this figure is always indicated.

It was thoroughly explained by the Board that the reason for the recent outside watering restriction is due to (1) drought conditions; and (2) extra-heavy outdoor use of the system for irrigation, the latter making such a drain on the system that some areas are left without water.



X  
(July 7, 1989, continued)

A letter to the Association from member Mr. L. C. Farrell of Panorama Heights Subdivision was read aloud, protesting the requested watering restrictions, and stating that Farrell had discussed it with County Commissioner Bob Watson. It was verified that Watson had called Mrs. John Hawkins and had told her he was satisfied with her explanation of the Association's operation and policy in this matter.

There was prolonged discussion on the water scarcity situation. Estrada requested mailed notices of emergencies rather than phone calls. Factors of time and cost were pointed out, and the secretary read Section 4, Article VII of Association By-Laws, giving the Board authority to restrict water and to give notice by phone or mail.

Phillips asked for a resolution to cope with our drought-caused problem. The secretary presented an analysis memo, (copy of which is attached) showing that even with restriction to 20,000 gallons per tap per month, we will run short and will need to buy supplemental water. He also presented a draft of a letter to the members with a proposal in it of a limit of 20,000 gallons per tap per month, the only exception being for essential agricultural usage other than irrigation, with a \$5.00 per thousand gallons charge for usage over the limit.

The letter was discussed. Mr. Ingval Hanson spoke in support of strong action to restrict the heavy use, and asked if we adopt this policy, if we will have delivery problems. The answer was no. Mrs. Thompson of Lone Pine Estates asked if users stay under the 20,000 gallons, could they still have their gardens, the answer being yes.

MOVED by McPherson,

SECOND by Burritt, to send the letter to all members and users, with a limit of 20,000 gallons per month per tap, with any over that amount being charged at \$10.00 per thousand. A second overage would mean that users's water will be shut off.

MOTION CARRIED.

After more discussion, it was decided that this policy is effective immediately and the letter should be mailed out immediately. A copy of the letter is attached. McPherson requested that the legality of this action be checked.

The property tax situation was briefly discussed, there being nothing new to report.

There was discussion of Dale Cernusak's request to sell a tap from Parkwood Subdivision to someone outside the subdivision. The Board had voted previously by phone to deny the request. Legal action has been threatened, so a formal vote was requested by the Secretary.

MOVED by Burgess,

SECOND by Kline, that the Board ratify the informal vote taken earlier to deny the Cernusak tap transfer from Parkwood Subdivision.

MOTION carried.

(more)

Upper Surface Creek Domestic  
Water Users Association  
P.O. Box 47  
Cedaredge, CO 81413

July 7, 1989

Memo

FROM: John Hawkins  
TO: BOARD OF DIRECTORS,  
Upper Surface Creek Domestic Water Users Association

1/2 c.f.s. = 10,000,000 gallons per month

Assume loss 20% x 10,000,000 = 2,000,000

Net usable 10,000,000 less 2,000,000 = 8,000,000

8,000,000 ÷ 500 users = 16,000 per month per tap

In June, 125 users used 2,000,000 gallons over 20,000 gallons per month.

To eliminate this 2,000,000 would leave a net demand of 8,000,000 per month.

8,000,000 gallons per month from July 1 to October 15 ( 107 days ) = 28,000,000 gallons  
or 43 c.f.s.

If No. 1 Decree averages 30% = .15 c.f.s. x 107 = 16 c.f.s.  
USCDWUA reservoir water owned and appropriated = 21 c.f.s.  
TOTAL 37

43 c.f.s. less 37 c.f.s. = shortage of 6 c.f.s.

Upper Surface Creek Domestic  
Water Users Association  
P.O. Box 47  
Cedaredge, CO 81413  
July 7, 1989

Stockholders and Users  
Upper Surface Creek Domestic Water Users Association

Dear Member:

As you are no doubt aware, the area of our water system and our watershed -- Grand Mesa -- has had very little to no precipitation since mid-February. We believe the record will show that this is the longest continuous spell without precipitation on record.

This affects our system in two ways: One, it has created a water shortage from normal for the balance of this summer; two -- and most serious -- is the extremely heavy use for irrigation. The last couple of years we have appealed to the members to discontinue indiscriminate use of this water for irrigation purposes, and have effected a summer rate schedule that it was hoped would discourage this practice. While it seemed to work fairly well last year, this year the heaviest users seem to have completely ignored our requests. The result has had disastrous affects on the operation of the system.

We wish to remind you that this Association was organized for the express purpose of providing domestic water to the farm homes in the rural areas of Upper Surface Creek, Cedar Mesa, and Redlands Mesa. These are agricultural communities where irrigation is expected to be done with irrigation water. The Board has been very lenient in allowing the use of this water outside of the household and will continue to be, as long as the water is available and the members are reasonable in their use.

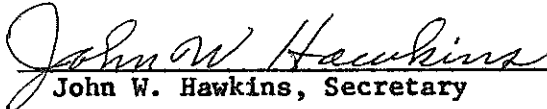
Because of the current situation, the Board has directed that until further notice a limit of 20,000 gallons per month per household be set except for essential agricultural purposes other than irrigation. You are hereby notified that any amount over 20,000 gallons per month will be charged at the rate of \$10.00 per thousand, and a warning will be issued that on the second instance, water service will be discontinued.

Following is, verbatim, Section 4, Article VII of the By-Laws of the Association, giving the Board authority to take this action:

"Section 4: In the event of scarcity of water or failure of supply for any reason, the Board of Directors shall have power to restrict and limit the use of water from said system to domestic household purposes only. Notice of the imposition of such restriction may be by phone or by written notice delivered or mailed by the Secretary and shall be effective until the members are notified otherwise."

We hope our members will be understanding and cooperative in this matter.

By Order of the BOARD OF DIRECTORS  
UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION

  
John W. Hawkins, Secretary

John 1, 1989  
M. E. Steele

## Be a Share Holders' Organization

### Program

Steps to save your shares, Company send notice to share holders a head of time.

### Share or Plans

1. Divide share holders for meeting every three days apart. Such a famous bookers about that  
York.

2. Make your meeting within ever possible

3. Get in your own suits & shares  
outside of top of it over. Every Drop counts

(July 7, 1989, continued)

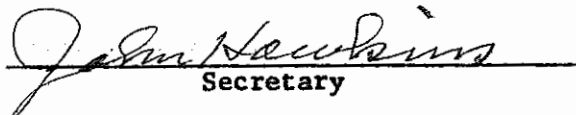
The secretary reported a request for taps east of Highway 65 and in a very high area, that he had denied. He also reported inquiries about the possibility of this Association's serving 11 individuals in an area on 2375 Road on the West side of Surface Creek, presently being served by Orchard City. Possible means of serving the area were discussed, main points being that we would not take on the old O.C. lines; membership fees would have to be paid; new lines would have to be built; it would be very costly; emphasis was on not jeopardizing our existing system or supply in any way. No formal action was taken, as no concrete request has been received.

Dan Hawkins requested the Association's permission and financial assistance to install remote meter-reading devices he has developed, to be placed on the storage tanks so he could monitor the tanks from his home. Cost to the Association would be an approximate \$27.00 initial phone installation charge per unit, plus a \$23.00 per month (per unit) phone bill, amounting to approximately \$46.00 per month for three months.

MOVED by Sheppard,  
SECOND by Burritt, to grant Dan permission to install the units with the Association to pay the phone costs.

MOTION carried.

After discussion on maintenance procedures and policies, and there being no further business, the meeting adjourned.

  
Secretary

MINUTES OF BOARD OF DIRECTORS MEETING OF AUGUST 3, 1989, AT HOME OF BOB PHILLIPS

Chairman Phillips called the meeting to order at 7:30 p.m., with members present being, besides himself: Burgess, Kline, MacPherson, Sheppard and John Hawkins. Also present were staff member Dan Hawkins and a member of the Association, Charles Formby.

The secretary read the minutes of the July 7 meeting. They were approved as read.

Financial reports were handed around and studied.

MOVED by Burgess,  
SECOND by MacPherson, to accept the financial report.  
MOTION CARRIED.

It was reported that the Reserve Account balance is approximately \$28,000.

Mr. Formby was invited to present his reasons for attending. He requested relief on his bill, based on his objection to the date of receipt of the letter limiting use and notifying of higher rates for use over the limit. There was a great deal of discussion on the matter.

MOVED by MacPherson,  
SECOND by Burgess, that Mr. Formby's request be denied.  
MOTION CARRIED.



Mr. Formby requested that he be allowed to pay it off as he can, and the Board agreed, provided this be done within a reasonable length of time.

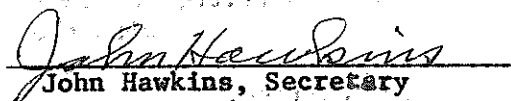
Secretary John Hawkins presented a request from B. W. Christensen for relief on his bill, having gone over the 20,000 gallon limit. It was discussed and denied.

Chairman Phillips asked for direction on the property tax situation, our petition having been denied by the Colorado Supreme Court. There was discussion, with the final decision for this time to wait and see what comes next.

There was discussion on adding a paragraph, perhaps as a footnote, to the membership application stating the Association's situation as to water supply and citing appropriate section of By-laws.

There being no further business, the meeting adjourned at 9:30.

Respectfully submitted,

  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, DECEMBER 5, 1989, 7:30 p.m.

Board members present: Sheppard, Burritt, Burgess, Phillips, Hawkins.

Also present: Dan Hawkins and Roy Wolf.

The meeting was called to order by Chairman Phillips.

Minutes were read by John Hawkins and approved as read.

Financial statements for the months July, August, September, October and November were presented and accepted.

The Roy Wolf situation was presented. John Hawkins gave a history of the Currant Creek area line, emphasizing its small size. Roy Wolf explained that he has had chronically poor water delivery. He is planning to replace his line from the meter to his house, and would like to have the water company upgrade the main line to his meter in order to give better service. After lengthy discussion, it was

MOVED BY SHEPPARD,

SECOND BY BURGESS, that the Association would study the problem and take necessary steps to provide better water delivery:

MOTION CARRIED unanimously.

The Doni Patterson situation was presented. John Hawkins gave a history of the Patterson account -- chronic delinquency. He stated that

the tap had never been disconnected until this summer, when excess water was used. The water was shut off on Sept. 10, 1989. He said the meter pit had been filled with rocks and the shut-off valve was broken. It was necessary to shut off the main line and plug the meter yoke in order to stop water delivery.

Dan Hawkins reported that at meter reading time in September, he found the meter yoke had been bridged with a length of pipe. The situation was reported to the Delta County Sheriff. Dan Hawkins accompanied a deputy sheriff, who inspected the situation and served Patterson with a summons to appear in court January 3, 1990, to plead on charges of utility meter tampering. It was generally agreed to wait until the court date before taking any further action.

Barbara Young situation: John Hawkins reported that a fencing contractor working for Barbara Young had punctured an Association water line.

MOVED by Sheppard,  
SECOND by Burritt, to charge Young for the repair costs.

MOTION carried unanimously.

Hawkins said that the Town of Cedaredge might press for removal of the fence from the common right-of-way.

SHEPPARD AMENDED HIS MOTION to include that the Association would join Cedaredge in such an action.

BURRITT SECONDED the amendment.

PASSED unanimously.

Schell situation: John and Dan Hawkins reported on phone conversations with Mr. Schell, who believes that the Association, having turned off his water after a line break, caused damage to houseplants. The house was unoccupied, but has an automatic water system. No action.

Tax situation. General discussion; no action. John Hawkins had received a notice of proposed rule-making that could bring domestic water companies under liability for property taxes again. John stated he had spoken with a tax examiner in Denver who promised to try to get the proposed rules amended to exempt domestic water companies.

Automatic Data Monitoring: Dan Hawkins reported on the "Hawkeye Telemeter" System and showed the Board a graph of system use collected from the Upper Surface Creek Station. The Board agreed to continue with the system through the next year. Hawkins requested a new meter at the Redlands Tank. It was generally agreed to install a meter there.

BUDGET: Salaries were discussed.

Fixed asset additions: Discussion of supply line to Redlands. Hawkins proposed a 4-inch line parallel to Q Road from Chuck Barnes's home to the bottom of Cactus Park Gulch to tie into existing 4-inch line. The 2½ inch line along Q Road would be isolated and have its pressure reduced.

Discussion of Surface Creek Valley line: Hawkins proposed continuance of the

Robotham line south to T-50 Road and tie into 2" line. This would augment flow to lower Surface Creek Valley and Eastern Cedar Mesa.

Hawkins said Cedaredge probably will improve the raw water system on Grand Mesa this year, and some fixed-asset addition funds should be allocated for the Association's share of such a job.

MOVED by Sheppard,  
SECOND by Burritt, to adopt the budget with the change that the line labeled "taxes" be changed to include only employer's contributions to social security.

MOTION passed unanimously.

There being no further business, the meeting adjourned.

  
Secretary

MINUTES OF BOARD MEETING OF MARCH 8, 1990 AT HOME OF ROBERT E. PHILLIPS

The meeting was called to order at 7:30 p.m. by Association President Bob Phillips; all board members were present.

Minutes of the last meeting were read and approved.

Monthly financial reports were reviewed and approved on a

MOTION by Kline,  
Second by McPherson. Motion carried.

It was pointed out that the Board had agreed by telephone to contribute \$1,000 to the Weather Modification Program sponsored by Grand Mesa Water Users, and that that action should be ratified.

MOVED by McPherson,  
Second by Burgess, to ratify the informal action taken to contribute \$1,000 to Weather Modification.

MOTION CARRIED.

Phillips stated that he and Hawkins had met with the County Commissioners in an effort to get some relief from the property tax situation and that they were encouraged that there may be some relief if we continue to pursue it.

MOVED by Burgess,  
Second by McPherson, that we continue the pursuit of property tax relief through the County Commissioners.

MOTION CARRIED.

Discussion on proposed capital projects for this year ended with a

MOTION by Burgess,  
SECOND by Kline, to proceed with the upgrading of the line on

2375 Road and, if the Town of Cedaredge proceeds with the common line extension on Grand Mesa, that we participate in that project; and the new line from Cedar Mesa into Dry Creek be placed on the "maybe" list for at least partial construction depending upon finances and right-of-way acquisition.

MOTION CARRIED.

Hawkins stated that he had talked with Herb Briscoe in an effort to obtain a right-of-way across his property for the Cedar Mesa-Dry Creek line. Mr. Briscoe was not willing to give a right-of-way without compensation, but he was not willing to name the amount of that compensation -- that the Board should make an offer to him.

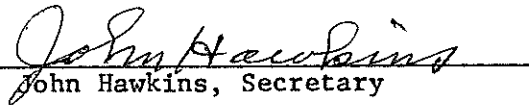
After much discussion, it was

MOVED by McPherson,  
Second by Burritt, to offer Mr. Briscoe \$500.00 for the right-of-way  
and to negotiate up to \$1,000 if necessary.

MOTION CARRIED.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD MAY 29, 1990, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order by Chairman Phillips at 8 p.m., with Board members present being Phillips, Sheppard, Kline, McPherson, and Hawkins.

Minutes of the previous meeting were read and approved.

Monthly financial statements were distributed and reviewed and approved on a motion by Sheppard, a Second by Kline.

Present at the meeting were members of the Special Committee appointed at the last annual stockholders meeting to review the operation of the system and make recommendations to the Board. This committee consists of Stan Adams, Lewis Bickmore, Gene Dove, Everett Ford and Dan Hawkins.

The Committee presented a written report which is attached to these minutes; it included proposed rate schedule changes and some short-term operational procedures designed to hopefully alleviate the pressure during the current drought cycle.

After a great deal of discussion, it was

MOVED by Sheppard,  
SECOND by McPherson, that because of the increasing severity

of the current drought that the proposed rate schedule not be enacted at this time and that we continue with the rate schedule and watering restrictions that were adopted for the summer of 1989; that management develop alternating watering dates for all members and that no watering be permitted between the hours of 11 p.m. and 6 a.m. to allow storage tanks to refill; and that letters be sent to all members covering these items.

Motion Carried.

There was discussion of the Doni Patterson situation regarding non-payment of her bill and the Court-ordered restitution for damages to facilities due to meter tampering.

MOVED by Sheppard,  
SECOND by Kline, that we offer Ms. Patterson the following:  
that she continue to pay the \$50 per month restitution until the full \$300 is paid; and that she continue to pay \$50.00 per month on her account plus current monthly billings until the account is paid in full; failure to comply will result in foreclosure and sale of her membership.

Motion Carried.

Chairman Phillips thanked the Special Committee for their good work, and the Committee was asked to continue to participate in the planning for the Association.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD JUNE 5, 1990, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips. All Board members were present; Attorney Aaron Clay was also present.

The Association has received a complaint expected to be served from Attorney Jim Brown representing Dale Cernusak and Lester Womack, owners and developers of Parkwood Subdivision. This is a rejuvenation of a 1989 threatened lawsuit concerning the denial of transfer of a membership from Parkwood Subdivision to a new home on Redlands Mesa.

Chairman Phillips and Secretary Hawkins had discussed the possibility of obtaining a different attorney to handle this case. Phillips had polled the Board members by telephone who agreed to consider a change, resulting in Aaron Clay's being invited to this meeting.



There was discussion about the impending lawsuit and our choice of attorney. Mr. Clay stated that his charge was \$75.00 an hour for himself, and \$30.00 an hour for his para-legal secretary.

MOVED by Sheppard

SECOND by McPherson, that we hire Aaron Clay to represent the Association.

Motion Carried.

There was a great deal of discussion about the transfer of taps from one location to another, and the potential for the wholesale transfer of unused subdivision taps to other areas on the system, after which it was

MOVED by Burgess,

SECOND by Sheppard, that a moratorium be placed on the transfer of memberships where that membership was to be relocated to a location other than the location for which it was purchased.

Motion carried unanimously.

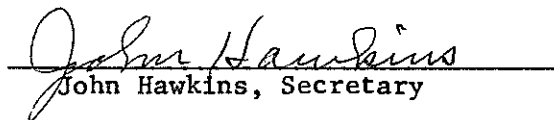
There was then discussion of the pros and cons of allowing this case to go the full route of the Court, vs attempting to negotiate an agreement.

MOVED by Sheppard,

SECOND by Hawkins, that we allow this matter to be resolved by the Court, and that Attorney Aaron Clay be instructed to proceed accordingly.

Motion Carried.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary

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MINUTES OF MEETING OF U S C D W U A BOARD OF DIRECTORS, HELD JULY 3, 1990, AT THE HOME OF BOB PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips, with all board members present. Also present were Dan Hawkins and Attorney Aaron Clay.

Minutes of the last meeting were read and approved as read.

The monthly financial report was distributed and discussed, and approved on a motion by Sheppard, second by Burritt.

There was discussion of the pending law suit with Cernusak and Womack. Aaron Clay stated that he had discussed the matter with Attorney James Brown, and Clay believed an agreement could be arrived at whereby, if we allow them to transfer the one membership in question, they will agree to not attempt to transfer any more until after the next annual or special stockholders meeting where the Board plans to initiate a by-laws amendment affecting the transfer of stock.

After much discussion, it was

MOVED by McPherson,

SECOND by Sheppard, that we allow Cernusak and Womack to transfer one membership from Parkwood Subdivision to another location providing we have a firm agreement that they will not attempt to transfer any more until after a stockholders meeting when the by-laws amendment is acted upon.

MOTION CARRIED, with Hawkins voting "no".

John Hawkins reported that he had had further discussion with Herb Briscoe regarding a proposed right of way easement through Briscoe's property, and that Mr. Briscoe had offered to give the proposed right of way provided the Association agree to provide him with two memberships for his property that is being affected, the memberships to be issued upon demand while Mr. Briscoe owns the property. If Mr. Briscoe disposes of the property prior to the demand for memberships, the membership agreement will become void and is not transferrable. The right of way agreement, however, would remain in effect.

After some discussion, it was

MOVED by Sheppard,

Second by McPherson, that we accept Mr. Briscoe's offer.

MOTION CARRIED.

Bob Phillips reported that he had received a call from Robert Hilsen concerned about a shortage of water being delivered to their place. Dan Hawkins agreed that there was a problem and that it appeared there were one or more leaks in that line that had not been located since they had not surfaced. This is typical of past experience on that line. He reported that only about 1,000 feet of that line had been replaced, and that it may be necessary to replace the entire line to provide satisfactory service. It was decided to make further tests for leaks and to do what was necessary to improve the service.

There was discussion of further improvements to the system. It was decided to proceed at the convenience of maintenance with the planned improvements on 2375 Road.

There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD OF DIRECTORS MEETING OF OCTOBER 9, 1990  
HELD AT THE HOME OF ROBERT E. PHILLIPS

Board members present were Phillips, Sheppard, Burgess, Burritt, and John Hawkins. Dan Hawkins was also present.

The meeting was called to order by Chairman Phillips at 7:30 p.m.

Minutes of the last meeting were read and approved as read.

Monthly financial reports were distributed and discussed and approved on a motion by Sheppard, second by Burgess.

Phillips reported that he and John Hawkins had met with the County Commissioners again on our property tax problem and although nothing definite has been decided, the Commissioners and attorneys are working on it and it is believed there will be a resolution forthcoming soon that will give this Association at least some relief.

John Hawkins reported on the construction on the system since our last meeting. He reported the Hilsen line had been replaced down the hill from Redlands Mesa to the Hilsen farm land, approximately 3,000 feet. There are about 3,000 feet left to complete that project at some time in the future.

The 2375 Road project is completed. About 700 feet of new line, running East from the intersection of 2500 Road and Q-50 Road is completed. About 500 feet of new line on the East side of the upper end of 2425 Drive near Surface Creek is completed. About 300 feet extension on 2600 Road South of Q Road on Cedar Mesa was completed.

He also reported on the common line improvement with the Town of Cedaredge. Approximately 2,000 feet of 8-inch line was installed from our existing line into Marcott Creek, and that 5,700 feet of the 8-inch transmission line had been replaced with 12-inch steel line. The common line cost has not yet been finalized but appears to be a little over \$100,000.00, our share being a little over \$20,000.00.

He reported that there are on going problems on the lower portion of 2425 Drive where galvanized service lines are deteriorating between the main line and the meters, caused either by soil and water conditions or electrolysis.

He also reported that two of our worst long-time delinquent accounts were being resolved, one by fire and foreclosure; and the other by renting of the property and attempted sale.

Dan Hawkins presented a proposal to install a quarter-mile of new line on 2425 Drive. Where the main 4-inch line crosses Surface Creek and joins 2425 Drive, a 2-inch line goes North, serving four houses. Currently, the two higher houses suffer from inadequate pressure and supply unless more pressure is supplied to the main line than is desired. This can be corrected by serving those four houses with a new line from the former Church of God Camp to the present

2-inch line -- about one quarter of a mile. This could be a part of the long-range plan to serve all of the area North of T Road from the existing 6-inch line to the North. Pipe sizes were discussed, and 3-inch was agreed upon.

Dan also reported that Roy Wolf had replaced his half-mile of private line from the meter to his home. This eliminated the leaks, but service is still not adequate, as it has never been on that line, presumably due to the length of undersized line. This is a 1-inch and 3/4-inch line. One-thousand feet were replaced a few years ago in the Current Creek area. Dan recommended that we replace the section from the new Current Creek section to the Wolf meter, approximately 2,500 feet. Phillips asked how that would affect our finances. John stated that it looked like we could do these two projects and pay the Town of Cedaredge for the completed common line work without affecting the Reserve Account balance.

MOVED by Sheppard,  
SECOND by Burritt, that these two projects be completed this fall if possible.

MOTION CARRIED.

John stated that he had had further discussions with Herb Briscoe on a proposed right of way agreement and that there were still some minor differences to be resolved.

MOVED by Sheppard,  
SECOND by Burgess, that we offer Mr. Briscoe an agreement based upon our understanding at our last meeting.

MOTION CARRIED.

The Secretary reported that we had been receiving a bill from Attorney Briscoe's office for \$213.78 for our share of litigation on the property tax matter. This bill was dated and received several months after the final decision from the Supreme Court, and although he had asked for one, Hawkins had been unable to get an explanation as to what the bill was for. The bill continues to come, however; the last one with a pleasant but firm request for payment.

MOVED by Sheppard,  
SECOND by Burritt, that we pay the bill.

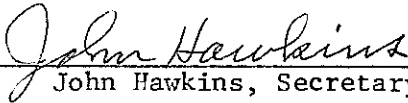
MOTION CARRIED.

The matter of proposed by-laws amendments was discussed. There were three issues needing consideration: (1) The need to reduce the quorum requirement for stockholders meetings and to increase the number of proxies allowed for each member present; (2) Regarding the area referring to equal rights for all members; and (3) Concerning transfer of memberships.

The Board was in agreement that Number One should be proposed. They:

were not in agreement that Number Two and Number Three should be addressed, at least without further legal assistance and advise. John Hawkins was instructed to talk with Attorney Aaron Clay and prepare some recommendations or options for the Board to consider on all three issues.

There being no further business, the meeting adjourned.

  
John Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS, UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, NOVEMBER 13, 1990, AT HOME OF BOB PHILLIPS.

Board members present were: Phillips, McPherson; Kline; Burritt; Burgess; Sheppard; Hawkins. Also present were Dan Hawkins, and Attorney Aaron Clay.

The meeting was called to order by Chairman Phillips at 7:30 p.m.

Minutes of the previous meeting were read and APPROVED as read.

Financial reports were distributed, discussed and APPROVED on a Motion by Kline; Second by Burritt.

Secretary Hawkins reported that he had met twice with the County Commissioners on the property tax situation since the last board meeting, the first meeting being informal to discuss and agree upon a settlement. The second meeting was at the regular County Commissioners meeting on this date, November 13, where a resolution was presented and approved by unanimous vote of the Commissioners whereby this Association pay the Treasurer of Delta County an adjusted tax in the amount of \$9,423.32 plus interest accrued on that amount of \$6,266.50 for a total of \$15,689.82. He stated he had paid this to the Treasurer, believing that it was in accordance with discussion and agreement of the Board. The Board expressed approval and satisfaction with the settlement.

Hawkins reported that the planned replacement section on the Wolf line in Dry Creek had been completed, and that the length of that section was 2,800 feet rather than the 2,500 feet estimated. The 2425 Road section is ready to begin and will be completed this fall, weather permitting.

Hawkins then reported he had had a telephone call from a real estate firm concerning Lost Document bonds. Apparently their client had been unable to obtain a bond without providing full collateral for the value of the stock plus the bond fee. Aaron Clay stated this was very unusual and he was not aware that this was happening, and that he would check into this and see if he could help in its resolution

Clay was then called upon to present the proposed amendments to the by-laws.

PROPOSAL # I: The addition of Section 5 to Article VIII of the by-laws regarding membership certificates. Two alternatives were offered:



1) That memberships be issued to an applicant for use on a specified tract of land, not transferrable from that tract;

2) That memberships be issued to the applicant for use on a specific tract of land <sup>land</sup> may be transferred from that tract of land only in case of severe hardship to the member as determined in the sole discretion of the Board.

After much discussion, it was

MOVED by Burgess,  
SECOND by Hawkins, that the Board select Option #2 for presentation to the stockholders at the annual stockholders meeting.

MOTION CARRIED, with McPherson voting no.

PROPOSAL # II: Amendment of Article VIII, Sec. 4, of the by-laws entitled Membership Rights, providing for, in times of drouth or water shortage the establishing of a priority basis for allocating water and charging different rates for different use.

MOVED by Burritt,  
SECOND by Sheppard, that this amendment be accepted and be presented to the stockholders at the annual stockholders meeting.

MOTION CARRIED unanimously.

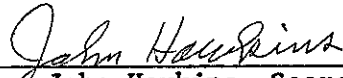
PROPOSAL #III: Amendment of Article IV, Sec. 3 and Sec. 5 by changing the quorum requirement from one-third to one-fifth of the membership and the number of proxies to be allowed to be voted by any member be changed from 5 proxies to 10 proxies.

MOVED by Sheppard,  
SECOND by McPherson, that this amendment be accepted and presented to the stockholders at the annual stockholders meeting.

MOTION CARRIED.

Attorney Clay was requested to prepare the above amendments in legal form for inclusion in the call of the annual stockholders meeting to be held December 11, 1990, at the Community Center in Cedaredge at 7:30 p.m.

There being no other business, the meeting adjourned.

  
\_\_\_\_\_  
John Hawkins, Secretary

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, DECEMBER 4, 1990, AT HOME OF BOB PHILLIPS.

Members present were: Phillips, Burgess, Kline, and Hawkins.

The meeting was called to order at 7:30 p.m. by Chairman Phillips.

Minutes of the previous meeting were read and approved as read.

The monthly financial report was distributed, discussed, and approved on a motion by Burgess, second by Kline.

A statement from the Town of Cedaredge itemizing costs for the common line construction amounting to \$20,230.20 <sup>plus 115 share</sup> was presented and reviewed. Hawkins stated that there were some outstanding bills on the common line project that may amount to as much as \$500.00 -- our share.

Hawkins stated that since our last meeting we had been offered three shares of Surface Creek Ditch and Reservoir stock. The Board had been polled by telephone, and we had purchased two shares of this stock for \$6,000.00 per share, and he asked that this action be formally ratified.

MOVED by Kline

SECOND by Burgess, that this Board approve of the action to purchase two shares of Surface Creek Ditch and Reservoir stock.

MOTION carried.

Hawkins then presented a draft of the proposed budget for 1991. The only questionable part of the budget was the amount of \$50,000.00 for capital improvements. There was considerable discussion on projects that are needed to improve service and water supply.

MOVED by Kline,

SECOND by Burgess, that we approve the budget as presented for presentation to the stockholders at the annual meeting December 11.

MOTION carried.

Chairman Phillips asked Hawkins to prepare a presentation on the needed improvements to the system and their estimated costs to present to the stockholders at the annual meeting.

There being no further business, the meeting adjourned.

  
Secretary-Treasurer

MINUTES OF MEETING OF BOARD, JANUARY 15, 1991, AT HOME OF BOB PHILLIPS:

Call to order by Chairman Phillips was at 7:30 p.m.

Board members present were Phillips, Burritt, Hawkins, McPherson, and Sheppard.

Others present were Mr. and Mrs. Virgil Bannon of Cedar Mesa; Mr. Ed Fischer of Cedaredge; Mr. Donald Johnson of Cedar Mesa; and Mrs. John Hawkins as Association Clerk.

Minutes of the previous meeting were read by Secretary Hawkins, and were approved as read.

The financial report for the month of December, 1990, was presented, discussed, and approved on a motion by Sheppard, and a second by McPherson.

Hawkins presented four billings for Board consideration and action.  
1 -- A bill from the Delta County Commissioners in the amount of \$1,950.00 for attorney fees they had incurred in the settlement of the property tax situation. Discussion.

MOVED by Sheppard,  
SECOND by McPherson, that we pay this bill.  
CARRIED.

2 -- A water treatment billing from the Town of Cedaredge to pay amounts accumulated over many past months due to incorrect billing procedures by the Town, amounting to a total of \$2,338.77. Discussion.

MOVED by Sheppard,  
SECOND by Burritt, to pay the bill, but to defer payment until funds are available.  
CARRIED.

3 -- Hawkins presented a situation regarding expenses for thawing a frozen line at T-75 Road. Mr. Don Madrid had been away for a period of time and when he returned, the water meter and line to his house were frozen. He attempted to thaw the meter with a weed burner and ruined the meter. The Association got Peterson Excavating to thaw the line, and the Association replaced the meter. Hawkins explained that it was an old meter and needed to be replaced anyway. The Board agreed to pay for thawing, and for the new meter. The Madrids were instructed by Association maintenance to leave a small trickle of water running to prevent another freeze-up; however, they reported that they had not done so and froze up again. Hawkins asked if the Board wanted to pay for thawing it out a second time. Discussion.

MOVED by McPherson,  
SECOND by Burritt, that the Association not pay for this second call.  
CARRIED.

4 -- Workmen's Compensation. Due to their new internal policy, the U.S.F. & G. Insurance Co. has cancelled the policy we have carried with them for 30 years without a claim. Our insurance agent, Whiteside Agency of Delta, has obtained coverage for us from the State. The Board agreed that Hawkins should accept and pay for this coverage and to continue to have Whiteside Agency act as our agent in the matter.

Mr. Ed Fischer stated his situation in Pinyon Estates Subdivision, where he has owned a lot and a tap. A buyer purchased the lot to add to one he already owns, but does not want the tap. Fischer requested permission from the Board to sell his tap to property outside the subdivision. It was brought out that the developers of Pinyon Estates had purchased only 10 taps of the 15 they had originally agreed to buy, leaving 5 lots without taps. Discussion. It was agreed that this does not qualify as a hardship case as provided in the new Section 5 of Article VIII By-Laws Amendment as adopted by the stockholders at their annual meeting Dec. 11, 1990. Fischer asked if there will be taps available for the 5 remaining lots in Pinyon Estates; the Board said that at this time they could see no reason why not.

Jan 15, 1991, cont'd

MOVED by McPherson,  
SECOND by Burritt, to permit Mr. Fischer to move this tap in the future  
to another lot in the Pinyon Estates Subdivision only.  
CARRIED.

The Bannons' case was considered. Property they own on Cedar Mesa was originally acquired with an un-installed tap. They have paid the monthly assessment since 1982. They are located such a distance from our nearest service line that it would cost them around \$10,000.00 to install a line to their house, an amount they cannot afford. They are adequately served by a well, and want to sell this tap. Discussion. It was agreed that this case meets hardship requirements.

MOVED by McPherson,  
SECOND by Sheppard, to allow the sale of this tap subject to approval  
of its next location to meet the Board's requirements.  
CARRIED.

Hawkins presented the situation for Mr. and Mrs. Theodore Gaynos and Mr. LeRoy Wilcox, not present due to severe illness of Mrs. Gaynos's and Mr. Wilcox's mother, and due to Mr. Wilcox being in a wheelchair. The Gaynoses and Mr. Wilcox each own a tap; near their houses is a third tap owned by the estate of their deceased father. The mobile house it served has been sold and removed. They need to sell the tap to settle the estate. Discussion. It was agreed this meets requirements as a hardship case.

MOVED by McPherson,  
SECOND by Sheppard, that Wilcox and Gaynos may sell this tap but must  
clear its next location with the Board.  
CARRIED.

Mr. Donald Johnson's case was considered. He claimed he had never received his stock certificate from the Association, which was mailed to him by regular mail at the address provided to the Association. The string of events over the past year was presented, including a phone call to Hawkins from Johnson offering to provide a copy of the stock. Discussion.

MOVED by McPherson,  
SECOND by Burritt, that we pay for half the cost of a Lost Document Bond  
due to the fact that we have no proof of mailing.  
CARRIED.

Johnson then requested that the Board obtain the Lost Document Bond for him. His request was denied.

Hawkins reported that for 30 years the Association has used regular mail for stock certificates with 100% successful delivery; but, since Johnson's claim a year ago, all stock certificates go via Certified Mail. This costs \$2.00 per mailing. Amount of the transfer fee was discussed.

MOVED by McPherson,  
SECOND by Burritt, to increase the transfer fee from its present amount  
of \$5.00 up to \$20.00.  
CARRIED.

There being no further business, the meeting adjourned at 9:30 p.m.

John W. Hawkins, Secretary

MINUTES OF MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS, APRIL 9, 1991, AT THE HOME OF ROBERT E. PHILLIPS.

The meeting was called to order by Chairman Phillips at 7:30 p.m. Members present: Phillips, Burgess, Burritt, Kline, McPherson, Sheppard, and Secretary John Hawkins. Dan Hawkins was also present.

Minutes of the previous meeting were read and approved as read.

Financial reports were distributed, discussed, and approved on a motion by McPherson, second by Kline.

Phillips explained a possible litigation over a water diversion from Horse Creek affecting water users in the Young's Creek drainage, stating we had been asked to contribute funds to help oppose this diversion. The Association is not directly affected, but it was felt that we should participate in the objection as a matter of principle regarding the method used for the diversion. Phillips and Hawkins had committed \$50.00 to the cause, and the Board was asked to ratify that action.

MOVED by Burritt,  
SECOND by McPherson, that the above action be ratified.  
CARRIED.

Various rate schedules were presented, and after much discussion, it was

MOVED by Sheppard,  
SECOND by McPherson, that the following rate schedule be approved to become effective May 1, 1991.

CARRIED.

RATES ADOPTED:

Up to 7,500 gal per month . . . . .	\$15.00 flat rate
7,501 to 15,000 gal. per month . . . . .	.70 per 1,000 gal.
15,001 to 20,000 gal. per month . . . . .	1.00 per 1,000 gal.
20,001 to 30,000 gal. per month . . . . .	2.00 per 1,000 gal.
30,001 to 40,000 gal. per month . . . . .	4.00 per 1,000 gal.
40,001 to 50,000 gal. per month . . . . .	8.00 per 1,000 gal.
Over 50,000 gal. per month . . . . .	10.00 per 1,000 gal.

The winter freeze-up problems were discussed and particularly that of Mr. Don Madrid, who is asking that improvements be made to prevent his freeze-up from happening again. It was decided that since the last winter was unusually severe, and that there had not been any freeze-up problems at that location before, that we could not justify making the requested improvements at this time.

John Hawkins reported that he had had discussions with Ed Marah, mayor of the Town of Cedaredge, who had learned that the new line installed into Marcott Creek last year cannot be used during the winter months, since the water at that location is diverted to Marcott Reservoir in the winter. Since winter and early spring use was one of the primary reasons for extending the line to Marcott Creek, it may now be necessary to install another line into Surface Creek.



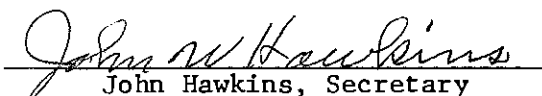
After discussion, it was

MOVED by McPherson,

SECOND by Kline, that if the Town wishes to proceed with a new line to Surface Creek, we will participate our share, but that some discussion between the two Boards should be held before a decision is made.

MOTION CARRIED.

There being no other business, the meeting adjourned at 9:30 p.m.

  
John Hawkins, Secretary

MINUTES OF MEETING OF JULY 12, 1991, AT HOME OF ROBERT E. PHILLIPS.

The meeting was called to order at 8 p.m. by Chairman Phillips. Other Board members present were: Burgess, Burritt, Kline, McPherson, Sheppard, and secretary John Hawkins. Dan Hawkins was also present.

Minutes of the previous meeting were read and approved as read.

Financial reports for April, May, and June were distributed, discussed, and approved on a motion by McPherson, second by Burritt.

CORRESPONDENCE: The secretary presented a letter from Willard Bull regarding the possible litigation in the Horse Creek diversion, and the need for funds. Phillips reported that the case may not go to court, as the person planning the diversion has decided to pursue conventional procedure. Discussion. It was decided that as this is a non-issue at present, there is no need to donate funds.

The secretary had received a phone call from a man in Grand Junction regarding some gas wells on Grand Mesa, with the idea that he would like to use the Association's right of way to bring his gas lines down off the Mesa. Hawkins had referred him to Cedaredge Mayor Ed Marah, who had not as yet heard from him. Hawkins asked for the Board's stand on the matter if it should come up again. There was discussion on the legality of allowing use of our right of way. Hawkins had told the man the best way would be for him to get right of way easements from land owners in the same corridor. It was the feeling of the Board that we do not want any other line on our easement.

OLD BUSINESS: John Hawkins reported on the LeRoy L. Wilcox Estate tap on Cedar Mesa: that permission had been granted previously by the Board, under the hardship clause, for this tap to be sold off the property. It now develops that young LeRoy Wilcox had moved the Estate tap to his own property near by, and had then sold, without transfer procedure, his own stock to Fred Ferganchick to be installed at the site of the old Cedaredge dump on Cedar Mesa. Old polyethelene line there presents a problem. Discussion.

MOVED by McPherson,

SECOND by Kline, that the transfer be allowed, providing they upgrade the line from the existing line in Panorama Heights Sub-division north of Q-50 Road to the meter location on the south side of Q-50 Road.

CARRIED.

NEW BUSINESS: There was discussion on the matter of the algae that had gotten into the system. The problem is apparently corrected.

The secretary reported that William Waldron on Redlands Mesa had asked for a letter for the County Planning Commission stating that there is a tap at their house where they live -- they are selling it. Later they called and requested a second letter saying that water will be available for a new house they plan to build on the part they are not selling. Hawkins had written the Planning Commission that water will be available provided the Waldrons buy a tap within a year; the Board approved of this action.

The secretary said that 20 Acres on 2550 Road on Cedar Mesa, owned by Lester Bright, is to be split. Dale Cernusak had asked about the availability of water, and wants to know if the Association can serve this split with two taps. Discussion.

MOVED by Kline,

SECOND by Burgess, that a letter of approval can be written assuring water is available providing the taps are purchased within a year.

CARRIED.

The secretary reported he had received a call from an individual in Denver regarding 70 Acres of land on 2375 Road owned by George Wetterich. The caller is considering dividing it into 2½ Acre lots, each with a water tap. He was told he will have to come before the Board with his plan, including how the Association will upgrade the system to accommodate these taps. Discussion. The feeling was to let him come before the Board and answer questions; the consensus was that he would pay for what has to be done.

The secretary has been notified that the Darrell Geyers have sold their property; and he had an inquiry from a realtor about this Association's tap agreement with the Geyers. He said the language on the easement giving the Geyers a right to tie into the line is not clear. Discussion. The secretary explained that one tap had been installed and has been in use for many years by a Mr. Clarence Ferguson, with Ferguson paying the monthly assessment; however, no stock had ever been applied for and none had been issued for that tap. It was understood that the Geyer-Ferguson arrangement would continue with the new owner. Discussion. The Board agreed that the original right of way easement meant to grant two free taps to Geyer. The secretary was instructed to issue a stock certificate for the Ferguson tap.

The secretary presented a request from a Mr. Duane Dallas, who has purchased the Maffey property on T Road, that has an Association tap. Dallas wants to buy at least a second tap for the place, and possibly 4 taps altogether, as several members of his family wish to build homes on the property. The .3 mile line to this place also serves the Mack Gorrod property; difficult to serve without upgrading. Discussion.

MOVED by Sheppard,

SECOND by McPherson, that the Secretary should negotiate with the Dallas family; if they will participate in the amount of \$5,000, we will put in a new line; two taps should be committed.

CARRIED.

A situation on Redlands Mesa regarding two taps belonging to Mr. Ernest Ronne was discussed. Mr. Ronne has been placed in a nursing home in Wisconsin, incapacitated. Mr. Ed Marah is the conservator of his affairs. Neither of Ronne's taps is installed. Marah had asked about selling one of the taps separately from the land, having prospective buyers for the 3 parcels of land and none want the taps. A trailer on the property has been sold, to be moved to a different Redlands Mesa location where a line is available. Discussion. It was agreed that this meets the hardship clause.

MOVED by McPherson,

SECOND by Burgess, to allow Marah to sell one of the Ronne taps off the property, and keep the other one with the property.

CARRIED.

The situation with the Herb Briscoe property known as "Terra Linda" in Dry Creek was discussed. Mr. Jack McHugh and Mr. Perry Hotz are considering buying it. They have asked if the Board's tentative agreement with Briscoe on a right of way easement through the property will apply to them. McHugh had written a resumé of what he and Hotz understood that agreement to be, and this was read aloud. Discussion. Phillips brought out that if we accept it, it must be with the provision that it not be in effect if the Association could not get easements to get to it.

MOVED by Burritt,

SECOND by McPherson, to accept the r.o.w. easement proposition with the stipulation that we can get an easement to that land.

CARRIED.

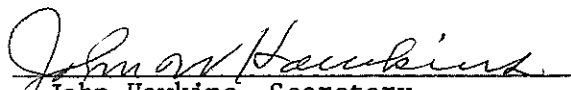
John Hawkins asked the Board what the plans are in the way of construction in this area. Lengthy and full discussion on distance to go, size of pipe -- nothing less than 4", steel vs plastic, etc. The problem of high pressure in the taps in the bottom of Dry Creek was pointed out by Dan Hawkins and the desirability of going all the way to the foot of Redlands Mesa in order to alleviate this and to continue to serve the Redlands users -- that we are on the thin edge in serving Redlands. Prices for steel pipe were quoted: 4½", \$5.25 ft., F.O.B., Portland, Oregon, 40' joints; \$1,800 freight whether full load or not. 6,400 ft. makes a truck load. Dan said the entire project needs 6,000 ft; he estimated \$35,000.00 is involved to Cactus Park Draw. Whether or not to stop there or go farther was discussed. It was thought that more checking into pipe prices should be done. More discussion.

MOVED by Sheppard,

SECOND by McPherson, to go ahead with this project if everything falls into place, down to existing line in Cactus Park Draw.

CARRIED.

There being no further business, the meeting adjourned at 10:30 p.m.

  
John Hawkins, Secretary.

(December 3, 1991)

MINUTES OF MEETING OF BOARD OF DIRECTORS, DEC. 3, 1991, AT HOME OF BOB PHILLIPS.

Members all present; also attending, Dan Hawkins.

President Phillips called the meeting to order at 7:30 p.m.

Minutes of the previous meeting were read and approved as read.

Financial reports were distributed, discussed, and APPROVED on a MOTION by Kline,  
SECOND by Burgess.

John and Dan Hawkins then reported on the pipeline construction projects. They reported that 1,800 feet of 4" Sch.40 PVC pipe on T Road, and 540 feet of 6" PVC pipe had been installed North from the East end of T Road which would serve one new tap and would be the beginning of a proposed new six-inch main trunk line for the system.

They reported severe rock problems on both of these projects.

They also reported that the proposed line from Cedar Mesa into Dry Creek had been completed, with 4,400 feet of 4" Sch. 40 PVC and 2,200 feet of 4", 12 gauge wrapped steel pipe. Also, 300 feet of 2" Sch. 40 PVC pipe at 2800 Rd. and P-25 Rd. on Redlands Mesa.

Total expenditures for all projects this year, they reported, were \$56,680.34. It was

MOVED by Sheppard,  
SECOND by McPherson, that the Board express approval and satisfaction of the work that had been completed.

MOTION CARRIED.

John Hawkins reported that he had again been contacted by Meadowlark Oil Company, and had received a map of tentative plans to acquire easements to build a natural gas transmission line from the Grand Mesa National Forest near Surface Creek to the Rocky Mountain Natural Gas line on Highway 65 north of Cedaredge, paralleling the water line easements of this Association and the Town of Cedaredge. Discussion. The Secretary was instructed to confer with the Town of Cedaredge and if the Town concurs, to write a letter to the Oil Company expressing no opposition to their obtaining a right of way adjacent to ours, providing our right of way is not used as a staging point or as a work area in the process of constructing and maintaining their pipeline; and that they be responsible for any damage that may occur to our facility as a result of their operation.

There was discussion as to the future capital improvements to the system. John Hawkins presented a map of the area surrounding the proposed new main trunk line for the system beginning near the Surface Creek crossing on 2425 Drive just south of U-50 Road and running south and running in a generally southerly direction to the 500-foot segment that was installed this fall, and eventually continuing on to the storage tank on Cedar Mesa. It was shown how this main line could connect and interact with all the existing main lines and increase the delivery capability of the system tremendously.

This could be a 3-year project or more, depending on unexpected or unusual demands upon the finances. Hawkins estimated the cost of the

first phase, which would connect to the existing section on T Road, at \$40,000 to \$50,000.00. After discussion, it was

MOVED by Burritt,  
SECOND by Kline, that we proceed with this project as rapidly as finances will permit and that we place \$50,000.00 in the 1992 budget to begin this project.

MOTION CARRIED.

Hawkins then presented a proposed over-all budget for 1992 which had included \$50,000.00 for capital improvements. After discussion of various items, it was

MOVED by Burgess,  
SECOND by McPherson, that the budget be approved and presented to the stockholders at the annual meeting for review.

MOTION CARRIED.

It was noted that the annual stockholders meeting will be held December 10, 1991, and that four Board members' terms expire, they being: Burritt, Phillips, McPherson, and Sheppard.

There being no further business, the meeting adjourned.

Respectfully submitted,

*John W. Hawkins*  
Secretary-Treasurer

MINUTES OF BOARD OF DIRECTORS MEETING MARCH 24, 1992 at Bob Phillips Home.

The meeting was called to order by President Phillips, at 7:30 p.m.

Minutes of the previous meeting were read and approved as read.

Monthly financial reports were read and approved on a MOTION by Kline, and a SECOND by McPherson.

Summer water rates were discussed. Dan Hawkins presented a number of options with typical water bills under those options. After discussion, it was MOVED by McPherson, SECOND by Kline, to approve Plan A, which is as follows:

Up to 7,500 gal/month . . . . .	\$. 15.00 flat rate
7,500 - 20,000 gal/month . . . . .	.80/1000 gal.
20,001 - 30,000 gal/month . . . . .	1.50/1000 gal.
30,001 - 40,000 gal/month . . . . .	4.00/1000 gal.
40,001 - 50,000 gal/month . . . . .	8.00/1000 gal.
Over 50,000 gal/month . . . . .	10.00/1000 gal.

MOTION CARRIED.

Phillips stated he had been contacted by George Wetterich requesting permission to sell a tap he owns which he purchased in 1977 to assist in the



(March 24, 1992, continued)

construction of the new line on 2375 Road. After discussion, it was

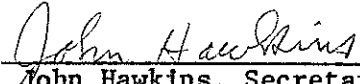
MOVED by McPherson,  
SECOND by Kline, that if it can be determined that Wetterich is the sole owner and if the tap has never been installed, that the Board approve the sale of that stock under the hardship clause of the By-Laws.

MOTION CARRIED.

Hawkins asked about planning for new construction. It was the consensus that we should proceed with the beginning of the new trunk line as time and finances permit.

There being no further business, the meeting adjourned at 9:00 pm.

Respectfully Submitted,

  
John Hawkins, Secretary

BOARD OF DIRECTORS MEETING OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASS'N,  
SEPTEMBER 22, 1992, AT HOME OF BOB PHILLIPS.

Members present: Phillips, Kline, Peterson, Burritt, and John Hawkins. Dan Hawkins was also present.

Chairman Phillips called the meeting to order at 7:30 p.m.

Minutes of the last meeting were read and approved as read.

Monthly financial reports were distributed, reviewed and approved on a motion by Kline, and second by Burritt.

John Hawkins reported on new construction: (1) He stated that the pipe for the first phase of the Hoot Owl Valley project is on site. This is enough pipe to complete the line from the end of the existing 6-inch pipe on 2425 Drive north of Sheppards, to Mack Gorrod's gate on T Road, a distance of about 8,500 feet. He stated that because of the high cost of iron, i.e. -- valves, fittings, and regulator stations, the overall cost, if completed this year, would probably exceed what was budgeted for capital improvements this year. However, he believed that cash on hand and in the Reserve Account would still equal or exceed that which was budgeted. (2) Also, about 650 feet of new line was installed on the extreme southeast corner of Redlands Mesa, extending the existing line to an airstrip and hangar owned by Jess Marshall. Mr. Marshall indicated he planned a fly-in subdivision of 13 or 14 homes. Because of this he was required to install a 3-inch pipe which leaves about 1/4 mile of 2-inch pipe between two sections of 3-inch, which may need to be dealt with later.

He reported further that Donald Ashburn owns 10 acres on Cedar Mesa which he is planning to subdivide into five 2-acre lots. Lots 1 and 2 on the north end surround this Association's 1/4-acre where the Cedar Mesa tank is located. Lots 3, 4, and 5 are committed to family and friends. Mr. Ashburn does not want anyone else on lots 1 and 2 and has offered to sell them to this Association for \$5,000.00.

After considerable discussion, it was

MOVED by Burrit,  
SECONDED by Kline, that if the subdivision is approved and Mr. Ashburn is still willing, that we purchase lots 1 and 2 for future expansion and protection of our facilities.

MOTION CARRIED. Chairman Phillips instructed Hawkins to proceed with the negotiations.

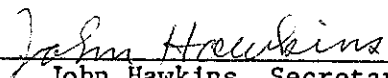
The Wetterich membership apparently has been sold to Milton Kramer for installation on U-50 Road, leaving it in the same general area.

We have a report of a subdivision planned on the north end of 2700 Road on Redlands Mesa. There are no specifics yet.

It was agreed that the next board meeting would be the budget meeting the first week of December.

There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
John Hawkins, Secretary

DECEMBER 3, 1992, MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION AT THE HOME OF ROBERT E. PHILLIPS

Board members present were: Phillips; Burgess; Burritt; Kline; Peterson; and John Hawkins. Also present were Dan Hawkins of Association staff; John Benjamin; Paul Thompson; John Forster; and Mr. and Mrs. Kenneth Shields.

The meeting was called to order by Chairman Phillips at 7:30 p.m.

Minutes of the previous meeting were read and approved as read.

Monthly financial statements were distributed, discussed and approved on a motion by Kline and a second by Peterson.

Forster stated that he and Willie Groome were prepared to purchase a membership each for their homes on 2700 Road on Redlands Mesa south of the end of the existing line on 2700 Road; and that Mike Kobrin, who lives in that same area, would likely purchase a membership in the near future. Forster asked if the line could be extended down 2700 Road to serve them.

After lengthy discussion, it was

MOVED by Burritt,

SECONDED by Kline, that since this would be an extension of an existing line along a county road to serve existing home sites, and since the membership fees would nearly -- if not completely -- pay the installation costs, that the Association extend the existing 2-inch line on 2700 Road as far south as John Forster's, which is the southernmost of the three homes.

MOTION CARRIED.

John Benjamin stated that he, with Charles and Marilee Gilman were proposing a 4-lot subdivision to be called "Lee's Overlook" on Redlands Mesa on the west side of 2700 Road, beginning 1/4 mile north of "O" Road, and were requesting water service from the Association. After lengthy discussion it was

MOVED by Peterson,

SECONDED by Kline, that the Association agree to serve the subdivision under these conditions: That the Association will build a supply line from the existing supply line at "O" Road north to the subdivision road as shown on the plat; That the developers will provide at their cost all of the water lines within the subdivision to Association specifications; That the subdividers will provide an easement to the Association for the new supply line from the landowners on the east side of 2700 "O" Road; and that they provide an easement to the Association for future use to the north side of the subdivision; That prior to pipeline construction, they will purchase one membership plus installation fees for each of the four lots in the subdivision.

MOTION CARRIED.

Paul Thompson stated that several years ago he had purchased and installed a tap on the line in Dry Creek going to the home of Ralph Thompson, his father. This line was a part of the original Redlands Mesa dole system with the inferior pipe which has all since been replaced. At the time Paul installed his tap, he contributed \$1,148.00 and the entire line was replaced to the Ralph Thompson home. This member assistance was not required on any of the replacement of the Redlands line; therefore, it was

MOVED by Kline,  
SECONDED by Burritt, that Paul Thompson be reimbursed for his contribution on that line.

MOTION CARRIED.

Mr. and Mrs. Kenneth Shields stated that they had purchased property on 2425 Drive in the Upper Surface Creek area known as the "Canan" or "Old Indian" property, and were considering a mobile home permanent residential park of up to 12 units, and inquired as to what the requirements would be for providing water to that type of facility.

They were informed that for subdivisions, a membership is required for each residence in compliance with the by-laws of the Association. They stated that this would not be a subdivision; that they would retain the ownership of the land and of the dwelling units. It was felt by the Board, however, that since these were separate permanent residences, they would fall within the purview of the by-laws concerning one household per membership.

No decision was made pending further study. There was concern as to the capacity of the existing line on 2425 Drive to serve that size of a facility, and that it may be necessary to go to the new 6-inch line 1/2 mile east. The Shieldses stated that they wished to install 2 units as soon as possible for family members. It was agreed that they could purchase two memberships and that they could be served from the existing line on 2425 Drive; and that they could review their options and meet with the Board again before spring. No formal action was taken.

The annual financial report and proposed budget was presented by the secretary. The budget was reviewed by line item. John Hawkins noted that the salary line item had remained as it had been for the three previous years and he felt that because of the work-load, plus normal salary increases, an increase would be in order. After considerable discussion, it was

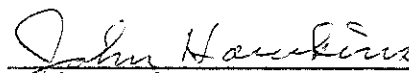
MOVED by Kline,  
SECONDED by Peterson, that the line item for salaries on the budget be increased from \$30,000 to \$36,000.

MOTION CARRIED.

It was moved by Burgess,  
Seconded by Burritt, that the proposed budget be approved as amended and presented to the stockholders for review at the annual meeting.

MOTION CARRIED.

There being no other business, the meeting adjourned at 10 p.m.

  
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John Hawkins, Secretary

February 24, 1993, MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION AT THE HOME OF ROBERT E. PHILLIPS

Board members present: Chairman Phillips; Floyd McPherson; Bud Burgess; Fred Burritt; Kelly Peterson; Secretary John Hawkins. Also present was staff member Dan Hawkins.

The meeting was called to order by Chairman Phillips at 7:30 p.m.

Minutes of the previous meeting were read and approved as read.

Monthly financial reports were distributed, discussed, and approved on a motion by Burgess, 2nd by McPherson.

Jess Marshall was present and presented a plat for his proposed Redlands Air Park, a 13-lot subdivision on Redlands Mesa, and requested approval for water service to the subdivision. After considerable discussion it was

MOVED by Burgess,

SECONDED by Peterson, that we agree to provide water for up to 13 lots in the subdivision under the following conditions: That the developer will provide at his expense all of the water lines within the subdivision to be installed to Association specifications; that he purchase, at the prevailing price at time of purchase, one membership in the Association plus installation fee for each residence within the subdivision, the schedule of purchase to be as follows: PHASE I: To purchase five (5) memberships plus installation fee upon final approval of the subdivision; PHASE II: Will purchase four (4) memberships plus installation fee at the beginning of Phase II; PHASE III: The remaining memberships, if any, will be purchased on an as-needed basis. The commitment will not be valid for more than ten (10) years from date of final approval of the subdivision unless otherwise agreed to by both parties.

MOTION CARRIED.

Mr. and Mrs. Kenneth Shields had requested a decision on providing water for their proposed mobile home park. After discussion, it was

MOVED by McPherson,

SECOND by Burritt, that each unit within the park be considered a separate household and will require a separate membership as specified in the by-laws of the Association.

MOTION CARRIED.

The Lee's Overlook subdivision that was discussed at the last board meeting has apparently been scrapped and a single party is planning to purchase the acreage and is requesting water service for one and possibly two homes. It was

MOVED by McPherson,

SECONDED by Peterson, that if the new party purchases just one membership, he will pay the full cost of the line except for oversizing required by the Association. If he purchases two memberships the Association will apply one membership fee to the cost of the line. Right of way terms remain the same as for the subdivision.

MOTION CARRIED.



It was noted that Mark Welsh had made inquiry for one or more taps on upper Cedar Mesa above Lone Pine Estates between 2550 Road and the Lone Pine Ditch. There was not enough information to make any decision.

The secretary stated that there had been a number of inquiries on extending the line further down 2600 Road between P Road and Q Road on Cedar Mesa; that potential purchasers had backed out because of the expense of getting water to their property. The latest inquirer has apparently purchased property in the area and is requesting some relief in the cost of extending the water line. It was the consensus of the Board that it would be to the interest of the Association to connect the line between P Road and Q Road as the demand warrants.

Laurie Lane is requesting an additional membership for an additional residence on her property south of Q Road, north of McPherson's. Since the present line serving that area is already deficient in capacity, a new line will be required to meet this request. It was

MOVED by Burgess,

SECONDED by McPherson, that a new line be installed from Q Road south through the Lane property, to Floyd McPherson's tap, and that the secretary negotiate with Dr. Lane in sharing the expense of this new line.

MOTION CARRIED.

The secretary reported that Jerry Lewis had inquired about receiving water service from the Association for two houses on the extreme edge of Cedar Mesa adjacent to Panorama Heights Subdivision and one residence on a lower bench on the west side of Cedar Mesa, and requesting that all three be served from the line within Panorama Heights Subdivision. It was agreed that this could be permitted provided the meter for the house on the lower bench be placed on the top of the mesa and that Lewis be responsible for the line from the meter to the house.

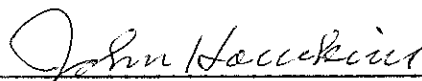
The secretary reported on the proposed purchase of two lots from the subdivision surrounding our tank site on Cedar Mesa. This is no longer a planned subdivision, but the same acreage will be purchased by a boundary adjustment between the Association and the present land owner.

He also reported that a Mrs. Lloyd has purchased the Zannett property on 2675 Road on Cedar Mesa, and is planning to purchase two memberships. This will be served from the new 4-inch line into Dry Creek.

Also, the secretary had an inquiry about the possibility of providing water to the lower benches south of Redlands Mesa. The Board agreed that we should not consider that as our territory; that it would be more logically served from the Rogers Mesa system.

There being no other business, the meeting adjourned.

Respectfully Submitted,

  
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John Hawkins, Secretary

MINUTES OF BOARD OF DIRECTORS MEETING JULY 9, 1993, AT HOME OF BOB PHILLIPS

Board members present: Phillips, Kline, Peterson, John Hawkins.

Also present were: Staff member Dan Hawkins; also, Tom Dybala, John Queen, and Phyllis Shields.

The meeting was called to order at 8 p.m. by Chairman Phillips.

Minutes of the previous meeting were read and approved.

Monthly financial statements were distributed, discussed, and approved on a MOTION by Kline; SECOND by Peterson.

John Queen was introduced. He requested consideration of the Association's supplying water to his planned new home on U-50 Road, west of Highway 65. After considerable discussion, it was

MOVED by Kline,  
SECOND by Peterson, that since the Town of Orchard City does not presently provide water to U-50 Road and they have stated they cannot provide satisfactory service to the area, and that they would prefer that the area be served by this Association, and since we now have a line terminating on U-50 Road on the west side of Highway 65, that we agree to provide water to Mr. Queen, provided he purchase a membership and stand the cost of line construction.

MOTION CARRIED.

Tom Dybala stated that his son, Tim, had purchased property on the east side of 2600 Road on Cedar Mesa and was requesting water service to that property.

The Association currently has a small pipeline, inadequate for much expansion, from Q Road south and a like facility from P Road north on 2600 Road, leaving an area in the middle without a pipeline to serve them. It has been the opinion that this pipeline should be up-graded and extended to cover the entire distance between P Road and Q Road if there is to be additional demand in that area.

John Hawkins stated that he had had an inquiry for service to the parcel of land adjoining the Dybala property being purchased by a Mr. McAlpine, and that the new owner had expressed willingness to contribute some to the up-grading of this line. The existing line would need to be extended six-or-seven-hundred feet to serve the Dybala property and another six-or-seven-hundred feet to serve the McAlpine property. Estimated cost of a line to serve Dybala only would be \$1,800 to \$2,000; and to serve the McAlpine property, an equal amount. It has been the opinion, however, that this line should be over-sized to a 4-inch line for future expansion and to match what should be a replacement of the existing line. After discussion, it was

MOVED by Peterson,  
SECOND by Kline, to agree to serve the Dybala property provided Dybala purchase a membership and pay the Association \$1,800 toward the cost of line construction and that the Association stand the additional expense of the cost of oversizing, including valves, fittings, etc., and that the same offer be made to Mr. McAlpine. MOTION CARRIED.

Phyllis Shields presented an up-date report on their proposed subdivision on 2425 Drive. There was discussion of how to obtain water to the subdivision. It was the opinion of the Board that it would be preferable to construct a new line along T-50 Road from the new 6-inch line and connect to the present 3-inch line on 2425 Drive with the Shieldses contributing to the cost of that line. Since the Shieldses' plans were so indefinite, no decisions were made.

John Hawkins stated that he had had inquiry to provide water to a planned subdivision in the Leroux Creek area off the eastern edge of Redlands Mesa. The Board felt this was outside our service area and could not be served from our existing system without undue hardship to our present members and should not be considered at this time.

Board member Floyd McPherson had stated that he wished to resign from the Board of Directors, having sold his farm and his taps to his son and is no longer eligible to be a board member. A replacement by the Board was considered. Chairman Phillips agreed to ask Wayne McPherson if he would be willing to serve until the next annual stockholders meeting.

There being no further business, the meeting adjourned at 10 p.m.

Respectfully submitted,

*John Hawkins*  
John Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting October 7, 1993

The meeting was held at the home of Bob Phillips. Chairman Phillips called the meeting to order at 8:10 p.m. Board members present were Phillips, Hawkins, Kline, Peterson. Also present were Wayne McPherson, Dan Hawkins, Lawrence MacKendrick, and Gerhardt and Daisybel. Ruckert.

Minutes of July 9, 1993 were read by Hawkins and approved as read. Financial reports for July, August, and September of 1993 were presented. Moved by Kline, seconded by Burgess to accept the financial reports. Motion carried.

MOVED by Peterson,

SECOND by Burgess to appoint Wayne Mcpherson to the board to fill a vacancy until the 1993 annual meeting.

MOTION CARRIED.

Hawkins introduced the Ruckerts as the present owners of the former Geyer property surrounding the Association's main storage tank. He reviewed the history of two water taps which were granted, but were never actually issued, in return for the use of the Geyer property by Association facilities. Hawkins explained that water has been delivered to the home of Clarence Ferguson on the property for nearly 20 years, and described the physical difficulties of providing adequate service to the area upstream of the storage tank.

Hawkins said the Ruckerts have sold a portion of the property including the Ferguson home to Ashley Houser. Houser has purchased a tap and requested service adjacent to Ferguson above the storage tank. Hawkins reported on extensive discussions with Houser and Ferguson about the most practical way to serve the Houser tap. Eventually, a letter was presented to Houser, signed by Hawkins and Houser, absolving the Association of responsibility for providing pressurized water at the Houser tap.

The Ruckerts presented a membership application for one of the original Geyer taps. They requested the other original Geyer tap be transferred to Houser.

MOVED by Burgess,

SECOND by Peterson seconded that the two original Geyer taps be issued, one each, to Houser and Ruckert, and that the new Houser membership be approved.

MOTION CARRIED.

The Ruckerts presented a Subdivision proposal for property lying north of U-50 road, between Milk Creek and the Surface Creek Road. The strip of land has an Association 6-inch line running through most of it. Fourteen lots are proposed.

Much discussion ranged around current Delta County planning policy, which seems to be requiring that water taps be purchased, or firmly committed, before approval of development plans. The Association, however, is reluctant to commit taps before a detailed plat of the proposed development is available.

MOVED by Peterson,

SECOND by Kline that a letter be given to the Reukerts generally agreeing to serve the subdivision, subject to review of the final subdivision plan details, and subject to the ability of the Association to serve at that future time.

MOTION CARRIED.

Hawkins reported on the Cedar Mesa 2600 road line originally proposed to serve Tom Dybala. When construction started, four more people in the area expressed interest in obtaining water. Eventually, taps were sold to Dybala, three members of the Bannon family, and a verbal commitment from McAlpine, who also participated in line construction. Line construction cost was divided five ways at \$1900 each. Approximately 1300 feet of 4-inch and 2600 feet of 2-inch line was installed. Hawkins discussed the Don Fick tap in relation to the new line. Mr. Fick had not participated in the line construction, but may be interested in connecting to it. It was generally agreed that Mr. Fick should connect to the old line at 2600 and P road.

Hawkins reported a recent inquiry about water service in the general area of Aspen Trails, west of Highway 65. John Queen, also west of Highway 65, has started a well and apparently retreated from his earlier request for service.

Hawkins reported that former Association member James Schmittou has requested a tap on the south side of T-50 road, east of 2425 Drive. It was discussed whether to attempt to serve that tap from the existing 3/4" galvanized line on the north side of T-50 road, or construct about 600 feet of 4-inch line starting at the new 6-inch Hoot Owl Valley line and running west along the south edge of T-50 road to serve the Schmittou tap, the present Arnold Hood tap, and meet possible future demand in the area. Discussion of this question led into general discussion of proposed capital improvements for 1993.

Hawkins reported that the proposed 6-inch line from the present south end of the Hoot Owl Valley line at T Road had run into right of way problems. James Burnett, who owns the Cedar Mesa hillside north of the Cedar Mesa tank, has demanded two water taps in return for right of way. There are also potential problems with other landowners along the original proposed route. Hawkins explained that the Association has two options when dealing with balky landowners over right of way. One is to force the right of way by condemnation, the other is to find an alternate route.

Hawkins presented the board members with a sketch showing the original proposed route, called Alternate I, and two other possible routes, called Alternate II and III. That sketch is attached to these minutes. On the reverse side of the sketch, Hawkins prepared cost breakdowns for the three alternate routes, and projected the Association's financial position at the end of fiscal 1993 assuming construction was completed and paid for this year.

Discussion jumped to possible requirements from the Town of Cedaredge for common line improvements. Estimates ranged around



\$40,000. Hawkins informed the board of a recently discovered Federal regulation requiring the Association to spend a minimum of 85% of annual revenue or else file income tax returns and pay tax.

MOVED by Burgess,

SECOND by Kline to construct a 4-inch line on the south side of T-50 road, starting at the 6-inch line and heading west beyond Hood; also to construct the plastic pipe portion of Alternate III of the continuing 6-inch line, and pay for enough 6-inch steel pipe to control surplus funds for fiscal 1993.

MOTION CARRIED.

Hawkins reported on discussions with Mark Welsh concerning right of way across a block of land owned by Welsh on Cedar Mesa lying between the Lone Pine Ditch and 2550 Road north of the Lone Pine Subdivision. This property is part of a preferred route for a future Redlands Mesa supply line running east from the Lone Pine Ditch across the Welsh property to 2550 Road.

Welsh has asked for numerous considerations in return for right of way, including access road improvements, a fire truck fill station, and a guaranteed option to buy a water tap in the future.

MOVED by Burgess,

SECOND by Peterson to offer Welsh a two year option to buy a tap in return for right of way.

MOTION CARRIED.

Hawkins reported that Association member Gilliland has asked for written assurance that he can buy a tap next year. General consensus was to deny such requests.

Dan Hawkins requested approval to upgrade the office computer system and purchase a desk, chair, and office shelving.

MOVED by Kline,

SECOND by Peterson to approve upgrade of computer and office furnishings.

MOTION CARRIED.

There was discussion of the present rapid growth of the Association and increasing demands on personnel. Dan Hawkins stressed that the Association must move toward a more formal system of operation with a dedicated office/warehouse building and full-time employees rather than continuing to operate out of private homes with part-time help. Phillips questioned whether the demands of rapid growth could be met with present revenues. Discussion revealed that present Association tap fees are lower than most surrounding water companies, perhaps encouraging migration into our area.

MOVED by Kline,

SECOND by Burgess to place a notice of proposed tap fee increase on the call to the 1993 annual meeting.

MOTION CARRIED.

The meeting adjourned at 11:52 p.m.

*John Hawkins*

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting December 8, 1993

The meeting was called to order at 7:30 pm at the home of Bob Phillips. Board members in attendance were Fred Burritt, Bob Phillips, John Hawkins, Wayne McPherson, and Kelly Peterson. Also attending were Dan Hawkins, Erin Williams, Doug Fritz, and Ray Penland.

Minutes of the previous meeting were read and approved as read.

Financial reports for October and November of 1993 were presented by Hawkins.

MOVED BY Peterson,  
SECONDED BY Burritt to accept the financial reports.  
MOTION CARRIED.

Hawkins introduced Williams, Fritz, and Penland. He gave a background of previous discussions with Williams and Fritz about possible taps east of Woods Corner on Redlands mesa along 2950 Road, which is presently not served by an Association line. He reported that there are four taps immediately likely in that area, with additional possibilities in the future. Approximately 3/4 mile of new line would be required to serve Williams, the farthest tap.

Hawkins expressed his opinion that main lines following county roads into areas of known development should be constructed by the Association.

Phillips questioned whether this represented a departure from existing policy requiring new members to construct all lines to the source of water. Hawkins replied that in the past, most of the significant expansions of this type had been paid for by the Association when it was clear that development was proceeding and future tap revenues were assured.

MOVED BY Burritt,  
SECONDED BY Peterson, to construct a new line from the end of the present line 1/4 mile east of the intersection of 2900 and "O" roads proceeding east to the point of the Erin Williams tap.  
MOTION CARRIED.

Doug Fritz requested time to address the board about general fire protection issues. He stated that land use policies seem to be placing more emphasis on fire protection for planned developments, and may soon be setting forth standards for minimum line sizes, and fire hydrant placement. He would like to see the Association consider fire protection in planning for any future system expansion. He also stated the Redlands Fire Department

would like to see the installation of up to seven fire hydrants on Redlands Mesa, and asked the Association to consider the possibility of financial support for such a plan. There was general discussion of Fritz's points, but no action was taken.

Hawkins reported the Polly Hammer had requested a commitment for two water taps in the future. This led to a discussion of policy regarding commitment to future taps, given the present rapid growth of the system. Phillips suggested a one year limit on such commitment, subject to annual review.

MOVED BY Burritt,  
SECONDED BY McPherson, to set a policy of committing taps for only one year, subject to annual review. Policy could be overturned by board if circumstances warrant.  
MOTION CARRIED.

It was agreed that an earlier request by Gilliland for a future tap commitment, which had been denied, should now be honored under the new policy.

Hawkins reported that 700 feet of 4" line had been constructed along T-50 road from the new Hoot Owl Valley line to a point just past the Arnold Hood property. Also, about 1/2 mile of 6" line was installed from T Road heading south. This represents the limit of the plastic portion of that line. The remainder will have to wait for spring and the delivery of steel pipe. Hawkins reported both projects were hindered by unusual quantities of large rocks, which remain to be disposed of somehow.

Hawkins submitted a proposed budget for 1994. Most of the discussion of the budget was speculation on the growth in membership in 1994.

MOVED BY Burritt,  
SECONDED BY Peterson, to accept the proposed budget for presentation to the stockholders at the annual meeting.  
MOTION CARRIED.

The meeting adjourned at 10:26 pm.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION

Minutes of Board Meeting  
February 7, 1994

The meeting was held at the home of Bob Phillips and called to order at 7:30 p.m. Board members present were Phillips, Hawkins, McPherson, Kline, Burritt, Burgess, and Peterson. Also present were Dan Hawkins, Ed and ~~Jeannette~~ VanDenBerg, and Mr. Woodward.

Minutes of the previous meeting were read and approved without correction.

Hawkins presented financial statements for December 1993 and January 1994.

MOVED BY Kline,  
SECONDED BY Burgess, to accept the financial reports.  
MOTION CARRIED without opposing votes.

Hawkins presented sketches of the system illustrating areas where new development is being discussed, and water taps at least informally requested. There were eight separate areas active.

The VanDenBergs presented maps showing areas they are involved with on Lone Pine and Upper Surface Creek. They request one more tap on Lone Pine, and three on Upper Surface Creek, at the north end of the the new six-inch Hoot Owl Valley line.

MOVED BY Burgess,  
SECONDED BY Burritt, to grant a tap on the Lone Pine property.  
MOTION CARRIED without opposing votes.

There was discussion of the three taps on Upper Surface Creek. Kelly Peterson stated that, unless the Association is ready for a general moratorium, that area is possibly the most suited for further development due to the new line there. VanDenbergs acknowledged they may want to further divide the property, and need more taps in the future.

MOVED BY Peterson,  
SECONDED BY Kline, to sell three taps to VanDenBergs, and commit to three more for a period of one year, to be reviewed  
at that time in accordance with current policy.  
MOTION CARRIED without opposing votes.

Mr. Woodward explained that he owns property in Cactus Park located toward the eastern side, and lying both north and south of the county road. He expects to construct three residences,

but not as a subdivision. He does not expect to build for a year or so, but wants committment for taps.

There was extended discussion of line size and pressure. Dan Hawkins explained that pressure may have to be increased at the Dyer regulating station in order to provide for more use on the Cactus park line. This in turn could require the construction of a new regulator station further east to protect the two-inch PVC line beginning at Currant Creek and extending to Wolf. It is possible that a section of one-inch galvanized lying between Harry Vaughn and Currant Creek may have to be replaced if Wolf runs short of water due to use upstream in Cactus Park.

MOVED BY Burritt,  
SECONDED BY Kline, to grant three taps to Woodward, one purchased in the near future, two more committed for one year, subject to review at that time.  
MOTION CARRIED without opposing votes.

Hawkins reported Dattlebaum on Cedar Mesa wants two or possibly three more taps for possible split of his property, located south of Q-50 road near the west edge of the mesa. It was generally agreed to withhold action until Dattlebaum comes before the board in person to make his request.

Hawkins then gave a background of the area lying south of McPherson on Cedar Mesa - the "old gravel pit". There are at least preliminary plans for a subdivision of that property, although no formal requests for taps yet. Also affected are the new Laurie Lane line, which has been negotiated and settled with Ms. Lane, but not yet constructed, and property located north of Wayne McPherson along 2525 road. Hawkins believes a line ought to be constructed along 2525 road to serve Ms. Lane, the property east of 2525, and upgrade the McPherson service, which has been marginal. This line could then serve projected development at the gravel pit if it occurs.

MOVED BY McPherson,  
SECONDED BY Kline, to construct a line along 2525 road from Q road south to P-75 road, leaving the exact route and the location of the Lane tap to the discretion of management.  
MOTION CARRIED without opposing votes.

Hawkins explained the long-range plan for the Redlands supply line, which incorporates a line running east from the Lone Pine line north of the Lone Pine Subdivision, then south along 2600 road to join the present 4-inch line at 2600 and Q-25 road. Hawkins believes that line should be six-inch, due to strong likelihood of future development along it. The 2600 road portion of that line should be steel, for pressure considerations. Hawkins proposed purchasing the additional pipe at this time, to be included in the Hoot Owl Valley pipe expected to be delivered



13  
this spring. This would finish out a load, and be more economical than ordering later. Hawkins estimated the cost at \$23,000.

MOVED BY Burritt,

SECONDED BY McPherson, to purchase the additional pipe.

MOTION CARRIED without opposing votes.

Dan Hawkins informed the board of ongoing cable plowing and road boring operations performed by a contractor for Delta County Telecom. Much time is being spent keeping the contractor informed of the locations of Association facilities.

Dan also reported that Delta County Road and Bridge is planning to replace the bridge across Surface Creek on U-50 road. That operation may require moving an existing Association water line which is very close to the present bridge. Plans are not far enough along to say for sure yet.

Meeting adjourned at 10:15 p.m.

*Dan Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
March 21, 1994

The meeting was held at the Grand Mesa Water Users office in Cedaredge. Bob Phillips called the meeting to order at 7:50 p.m. Directors present were Phillips, Hawkins, Kline, Peterson, and McPherson. Also present was Dan Hawkins.

Minutes of previous meeting were read and approved after amending the name of a person who had attended that meeting. Jeannette Vandenberg was corrected to Jill Vandenberg.

The February financial report was presented.

MOVED BY Kline,  
SECOND BY Peterson to accept February financial report  
MOTION CARRIED without opposition.

Phillips stressed the need for the Association to acquire more water to meet growing demands on the system. He asked that all directors be alert for water sales. Discussion centered around negotiating with subdividers for water which may be available with land to be divided. Also discussed was what price the association should be prepared to pay for water shares which may come up for sale.

MOVED BY McPherson,  
SECOND BY Kline to actively seek water, and be prepared to pay up to \$2500 per second foot.  
MOTION CARRIED without opposition.

Bob Phillips stated he is in favor of retiring the filter plant debt to the Town of Cedaredge within the next few years, ahead of the present repayment schedule. There was general agreement.

Hawkins presented a proposal for capital expenditures for 1994. Included was some additional steel pipe to accommodate a change in routing of the proposed Redlands 6-inch supply line further to the east to bypass likely development areas. Also included in the estimate were expenses for the Grand Mesa common line, Hoot Owl Valley line, and some small upgrades on Cedar Mesa. The proposed capital improvements total \$147,000.

MOVED BY Peterson,  
SECOND BY McPherson to approve the proposed capital improvements.  
MOTION CARRIED without opposition.

Hawkins reported inquiries from more than one potential

buyer for property along the west side of 2475 Road, between Q-50 and R Roads on Cedar Mesa. There is presently no main line along that road, the nearest supply being at the extreme north and south ends.

Dan Hawkins reported a discussion with Mark Harrington who lives on T-50 road northeast of Cedaredge. Mr. Harrington may divide his property and buy another tap. He is agreeable to granting the Association right of way for extending the new 4-inch line which presently stops at his property boundary with Arnold Hood.

Joyce Loss from Montrose arrived at the meeting. She is a realtor representing the Linda Butler property located on Cedar Mesa south of Q Road, and roughly aligned with 2700 Road. A subdivision is planned, consisting of 4 to 6 lots of 35-40 acres each. Up to six taps would be requested to serve the lots.

Bob Phillips told Ms. Loss the Association would like to have an opportunity to buy at least one share of Cedar Mesa Reservoir water from the property owner. It was generally agreed that under that arrangement, supply upgrade costs required to serve the subdivision would be borne by the Association. Ms. Loss agreed to take the proposal to her clients and get back to the Association.

The meeting adjourned at 9:50 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
May 24, 1994

Bob Phillips called the meeting to order at 7:40 p.m. at the office of Grand Mesa Water Users in Cedaredge. Directors present were Phillips, Hawkins, Kline, Burgess, Peterson, and Burrirt. Also attending were Dan Hawkins, Jess Marshall, and Jerry and Lois Hileman.

Minutes of the previous meeting were read and approved as read. Hawkins presented financial reports for March and April, and partial report to date for May.

MOVED BY Kline,

SECOND BY Burgess to accept the financial reports.

MOTION CARRIED without opposing votes.

Jess Marshall said the County Planner is requesting re-confirmation of the Association's commitment to serve his proposed subdivision on Redlands Mesa. Marshall intends to stay with his original plan for phased development, which calls for purchase of five taps upon county approval. Hawkins said high upgrade costs are foreseen for the system, making it important to receive those five tap fees this year.

MOVED BY Burgess,

SECOND BY Burrirt to re-confirm original letter of commitment.

MOTION CARRIED without opposing votes.

Mr. and Mrs. Hileman reported their intent to subdivide 18 acres on the south side of County Road R-75, about one quarter mile west of 2425 Drive, into four lots. Two of the lots presently have water taps. On the remaining property they plan an eight-unit condominium complex. They requested commitment from the Association to furnish a total of nine water taps for their proposed development.

MOVED BY Kline,

SECOND BY Peterson, to provide the Hilemans with a letter of commitment for nine taps.

MOTION CARRIED without opposing votes.

Bob Phillips started a discussion of directors liability insurance and payment of directors fees. There was discussion of potential liabilities by directors and of probable cost of such coverage. It was agreed that the Association attorney be consulted in regard to the questions.

MOVED BY Burgess,

SECOND BY Burrirt to investigate the purchase of directors' liability and operational liability for the Association.

MOTION CARRIED without opposing votes.

Hawkins reported that Jill Vandenberg had purchased seven taps on the day of the meeting. Four of those taps had previously been

committed, three of them are new taps for the area of 2475 Rd. on Cedar Mesa, and were sold subject to approval by the board.

MOVED BY Burritt,

SECOND BY Kline to approve the three new Vandenberg taps.

MOTION CARRIED without opposing votes.

Hawkins read a letter to the Zimmerman Brothers specifying an agreement to provide six taps for a proposed subdivision on Cedar Mesa in the area of Sage and Cedars. The letter was to be signed by both Phillips and Hawkins. He also read a letter from Zimmerman's attorney (Tweedel) indicating that nine more taps will be requested in the future.

MOVED BY Burritt

SECOND BY Peterson, to approve the letter committing to six taps.

MOTION CARRIED without opposing votes.

Hawkins reported that a parcel of property on Redlands Mesa originally planned for a subdivision known as "Lee's Overlook" is now being divided into just two lots, for which two taps have been requested. Approximately one quarter mile of pipe will have to be built heading north on 2700 Road from O Road to serve the property. For the previously proposed subdivision, the Association had agreed to build the line. Discussion followed, questioning whether this line fell under the policy previously adopted, which allowed the Association to build main lines along County roads in the direction of expected development and system expansion.

MOVED BY Burritt

SECOND BY Kline that the Association build a four-inch line along 2700 Road to serve the property.

MOTION CARRIED with Burgess opposed.

Dan Hawkins reported on difficulties providing enough water to Redlands Mesa. In order to avoid excessive pressure and damage to supply lines on Cedar Mesa, a pump is presently being used to assist in maintaining adequate water levels in both Redlands Mesa storage tanks. A cost breakdown for both gasoline and electric pumps was presented to the directors. He reported that a gasoline pump had been purchased. He reported that problems with the Redlands supply are too many taps drawing from the system before it gets to Redlands, and a long stretch of 2-1/2 inch galvanized iron pipe which is restricting flow.

John Hawkins presented a proposed capital improvements plan for 1994, which was revised since the previous board meeting to include spending \$100,000 for approximately three miles of six-inch line on Cedar Mesa intended to serve Redlands. New capital expenditures total is proposed to be \$200,000.

MOVED BY Kline,

SECOND BY Burritt to approve the new capital improvements plan.

MOTION CARRIED with no opposing votes.

The meeting adjourned at 10:20 p.m.

*John Hawkins*



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
July 19, 1994

President Bob Phillips called the meeting to order at 7:50 p.m. in the office of Grand Mesa Water Users, Cedaredge, Colorado. Directors present were Phillips, Hawkins, Burritt, Peterson, Kline, McPherson. Also attending were Dan Hawkins, Dave Gordon, and Hans Reusch.

John Hawkins read the minutes of the previous meeting. They were approved as read.

Dave Gordon and Hans Reusch represented the Chinn Water Company, a group of residents living along both sides of Surface Creek between S-25 road and T-50 road. Presently this water company, consisting of ten taps, purchases water from Orchard City, connecting to that system at a point west of Highway 65. Mr. Gordon stated the Chinn board of directors was exploring ways to upgrade their system, which is operating at full capacity of their lines. One option being considered was disconnecting from Orchard City and disbanding to be absorbed into the Upper Surface Creek system. They were hoping to be able to accomplish this at a cost figure less than the present \$4000 per membership.

Hawkins reported the area could be served from Upper Surface Creek lines located on S-25 road East of Surface Creek, the intersection of T-50 and 2375 Roads, or the old Cedaredge intake located just south of Gerald Loucks along Surface Creek. Up to one-half mile of line would need to be constructed to reach the area, plus replacement of most of the distribution system within the present Chinn boundaries.

General consensus of the discussion was to require individual memberships to be purchased by all households wishing to become part of Upper Surface Creek. The matter was tabled until next meeting.

Hawkins presented financial reports for May and June, and partial report to date for July.

MOVED BY Kline,  
SECOND BY Burritt, to accept financial reports. Motion carried without opposing votes.

Hawkins reported on new developments in the proposed Zimmerman subdivision in the area of 2475 and R Roads on Cedar Mesa. Zimmermans now have plans for 5 minor subdivision abutting one another, for a total of 15 lots. They request 15 taps, to be purchased on a two-year schedule as per the <sup>AGREEMENT</sup> that was negotiated previously for six taps.

MOVED BY Burritt,  
SECOND BY McPherson, to approve the sale of 15 taps to Zimmerman Brothers on a two-year schedule. Motion carried without opposing votes.

There was discussion of the need for regular board meeting dates. It was agreed to schedule the second monday of every month.

Hawkins reported that Rita Trninich requested a letter of commitment for two taps on her property along 2550 Road, north of Q-50 road on Cedar Mesa. There was no opposition.

Hawkins reported difficulties obtaining rights-of-way for sections of the continuing Hoot Owl Valley line and the planned Redlands supply line. It was generally agreed to initiate condemnation if necessary.

The meeting adjourned at 10:30 pm.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
August 8, 1994

The meeting was called to order by Chairman Bob Phillips at 7:35 p.m. at the office of the Grand Mesa Water Users, Cedaredge, CO. Board members present were Phillips, Hawkins, Kline, McPherson, Burgess, Peterson, and Burritt. Also attending were Dan Hawkins, Gerhard Ruckert, Herman McDonald, and Hans Reusch.

Minutes of the previous meeting were read and approved without amendment.

The financial report for July was presented.

MOVED BY Kline,

SECONDED BY McPherson to accept the financial report.

MOTION CARRIED with no opposing votes.

Mr. Ruckert and Mr. McDonald requested a commitment to serve five lots in the proposed Willow Creek Subdivision, along the Surface Creek Road north of County Road U-50. Discussion centered around lot #5, which is separated from the main body of the subdivision by the road, and lies at an elevation of 33 feet below the Association storage tank. It was felt that the Association could not guarantee steady delivery of water at adequate pressure for household use to that lot. Mr. McDonald stated his willingness to provide his own storage and pressure system if water could simply be delivered to the lot at an average flow sufficient for a household.

MOVED BY Kline,

SECONDED BY Burritt to commit five taps to the Willow Creek Subdivision, three to be purchased upon County approval of the subdivision, and the remaining two by September 17, 1995. The tap for Lot 5 is to be accompanied by a letter of agreement between the Association and the purchaser, stipulating that water shall be delivered as possible, with no guarantee of continuous flow or pressure.

MOTION CARRIED with no opposing votes.

Hans Reusch asked if the board had reached a conclusion regarding the possible incorporation of Chinn water company into the Association. No board member could offer any scenario for inclusion other than the standard sale of individual memberships at the current price. Mr. Reusch stated he would take that as a board decision and report back to the Chinn shareholders.

Hawkins reported an informal inquiry from Al and John Gray regarding a proposed subdivision north of U-50 Road, north of the existing Timberline Subdivision. Possibly 35 lots are being considered, with a requirement for 15 taps at the beginning.

There was discussion concerning the rapid proliferation of subdivisions within the Association area, and the ability to serve a large population increase with the current limitations of the common line and filter plant.

MOVED BY Kline that the Association withhold commitment of taps to any major subdivision until current questions about capacity of the common line and filter plant are resolved. AMENDED BY McPherson, to require major subdivision applicants to make available for sale to the Association one second-foot of water for each five taps requested. Kline did not object to the amendment. SECONDED BY McPherson  
MOTION CARRIED with no opposing votes.

Hawkins asked for a moratorium on tap sales in the area of Redlands Mesa served by the 10,000 gallon storage tank. In general, this takes in the area north of P-25 road.

MOVED BY Burgess,  
SECONDED BY McPherson to set a moratorium on tap sales in the area served by the Redlands Mesa 10,000 gallon storage tank. Excepted from the moratorium would be any taps currently being requested, but not placed in service until it is determined that the system can supply them.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported on difficulties with the Town of Cedaredge over water diversion at the Association point of diversion from the common system. A detailed memo of activities this summer was given to board members. Attorney Aaron Clay has been asked for an opinion on the legal position of the Association in this matter, but it has not been received yet. Mrs. Don Miller has requested commitment of three water taps for property along 2500 Road, south of the intersection with Q-50 on Cedar Mesa. She intends to purchase one tap now, two more later.

MOVED BY Burritt,  
SECONDED BY McPherson, to commit to providing three taps, good for a period of one year.  
MOTION CARRIED with no opposing votes.

Phillips reported on discussions with the City of Delta regarding availability of water in Howard Reservoir. Sale of the water would be subject to an election. Long-term lease may be constricted by Amendment 1 limitations. Year-to-year rental may be possible, Phillips expects to continue discussion. Phillips also said he knew of at least 20 second feet of water available for rent for the remainder of this season, and agreed to pursue it.

Meeting adjourned at 9:45 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
September 12, 1994

Chairman Bob Phillips called the meeting to order at 7:30 p.m. at the office of Grand Mesa Water Users, Cedaredge, CO. Directors present were Phillips, Hawkins, Kline, McPherson, Burgess, and Peterson.

Also attending were Dan Hawkins, Rich and Jeanne Palmer, Steve and Bernadelle Marquardt, Stan Adams, Bruce Rife, Sam Phillips, Susan Janssen, Nina Thewlis, Jack Jones, Diane Wolfe, and Laura Hambly.

Minutes of the previous meeting were read and approved without amendment. The financial report for August was presented.

MOVED by Burgess,  
SECOND by McPherson to accept the financial report.  
MOTION CARRIED without opposing votes.

Chairman Phillips asked the Association members present if they had concerns to bring before the meeting. Steve Marquardt offered to speak for those residents of Sage and Cedars who were present. He stated they believed the Association should stop selling taps because of insufficient water supply. Phillips read from a water supply summary prepared by Hawkins for the State Engineer, which indicated that the system is presently running at about three-quarters of maximum capacity.

Rich Palmer presented his own water supply summary. He stated the national average water consumption per household is one acre foot per year, or 27,000 gallons per month. Since the Association is unable to supply that amount to all taps year around, the consensus of the Sage and Cedars group was that a moratorium should be imposed.

Phillips stated he interpreted the corporate charter to mean that the Association must serve the community with domestic water, and continue to do so as long as resources are available. Marquardt replied that the rights of existing members were in jeopardy because of continued tap sales.

Diane Wolfe, a non-member of the Association, stated she had on record signed statements from 18 users on Redlands Mesa stating that they were without water for 30 days during 1994. When asked for a list of the names, she declined to release them. Dan and John Hawkins assured the Board that, if these statements existed as she had stated, they were absolutely untrue.

Phillips assured the group that the directors recognize



1  
the need to protect service to present members while planning and building for growth. He pointed out that new construction to accommodate growth will also benefit existing users by upgrading some presently limited areas in the delivery system. Also, more water is continually being sought for purchase. After some further discussion, the most of the attendees left the meeting.

Hawkins reported that Ralph Crooks has asked for two taps to satisfy a land split on Redlands Mesa. Louia Hambly helped explain the request. The property is on the east side of 2800 Road between O Road and P-25 Road. Dan Hawkins reported the supply to Redlands is presently adequate, and that new construction will augment the Redlands supply this fall.

MOVED by Peterson,  
SECOND by McPherson to grant two taps to Crooks.  
MOTION CARRIED with Burgess abstaining.

2  
Hawkins reported Mark Harrington is splitting a parcel in two along T-50 Road east of 2425 Drive. The proposed subdivision plat specifies a right-of-way easement across the northern parcel, on the south side of T-50 Road for the Association to use for a water line. To serve the south parcel, it will be necessary to extend the four-inch line which comes from the east along T-50 Road, and presently ends at the edge of the Harrington property.

MOVED by McPherson,  
SECOND by Kline to commit one tap for the subdivision, and to extend the present four-inch line across the Harrington property to the intersection of T-50 Road and 2425 Drive.  
MOTION CARRIED with Burgess voting no.

Hawkins reported on Planning Commission action on the proposed Redlands Airpark subdivision. The Commission required the elimination of a clause which would have allowed for the establishment of an additional apartment in each house in the subdivision.

3  
Hawkins reported there will be a meeting at 2:00 p.m. September 13 among all entities concerned with the proposed Zimmerman and VanDenBerg subdivisions lying along R Road and 2475 Road on Cedar Mesa. The Association board is invited to participate. One question to be addressed is whether the presently proposed minor subdivisions shall be re-designated as a major subdivision. There was discussion as to whether or not the Association shall remain committed to serve the taps as a major subdivision.

4  
Hawkins gave a construction report on the Hoot Owl Valley and Redlands supply lines. Most material has been purchased and is on site. Right-of-way across Fred Horn has been obtained,

completing the Hoot Owl Valley right-of-way route. Most of the right-of-way for the Redlands line is also complete. Peterson Excavating is ready to begin construction, and offered to perform all work at \$200.00 per hour for all equipment and crew.

MOVED by Kline,  
SECOND by McPherson to hire Peterson Excavating for pipeline construction, with the stipulation that an average of 2.5 pieces of equipment and adequate crew be working on the job at all times.  
MOTION CARRIED with Peterson abstaining.

Hawkins read a letter from Aaron Clay on the subject of liability insurance. Clay discouraged the purchase of liability insurance, being of the opinion that it encouraged lawsuits.

Clay had also reported by phone that his interpretation of agreements with the Town of Cedaredge is that the Association owns 20% of the common system and is entitled to 20% of the water flow capacity.

Dan Hawkins reported that residents in the area of 2475 Road between R-75 and S-25 Roads had agreed to contribute funds for the purchase and installation of two fire hydrants to be connected to the new six-inch line when it goes through that area.

Meeting adjourned at 10:40 p.m.

  
Secretary-Treasurer

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
October 10, 1994

Bob Phillips called the meeting to order at 7:40 pm at the office of Grand Mesa Water Users, Cedaredge, CO. Directors present were Phillips, Hawkins, Kline, Peterson, Burgess, and Burritt. Also attending were Dan Hawkins and Alan Rogers.

Minutes of the previous meeting were read and approved without amendment.

Financial report for September 1994 was presented.

MOVED BY Burgess,  
SECOND BY Kline to accept the financial report.  
MOTION CARRIED without opposing votes.

Alan Rogers asked to lease approximately 1/4 acre of land adjacent to his property in the Lone Pine Subdivision on Cedar Mesa. The property is on the east side of a parcel the Association purchased from Ashburn around the tank site. The Association property overlaps onto a pasture irrigated and used by Rogers. Rogers and Dan Hawkins both reported receiving criticism from a neighboring property owner who protested Rogers' free use of the Association's part of the pasture.

MOVED BY Peterson  
SECOND BY Kline to execute an annually renewable lease at \$5.00 (five dollars) per year.  
MOTION CARRIED without opposing votes.

Phillips reported that a purchase of water had been negotiated. The Association obtained from Kenneth and Doris Harfst 43 shares of Cedar Mesa Ditch and Reservoir. The purchase price is \$77,400.00 (Seventy-seven thousand, four hundred dollars). Terms are an initial payment of \$17,400, with remainder paid in five annual principal payments of \$12,000 each, plus 7% interest per annum.

MOVED BY Burgess  
SECOND BY Peterson to approve the purchase of water.  
MOTION CARRIED without opposing votes.

Hawkins reported on new construction. The Redlands supply line is finished from the Lone Pine ditch to R Road from the upper end, and from Mike Eyer property northwest to Schindelar property on the lower end.

Hoot Owl Valley line has started from R road north across Zimmerman property, and down over the edge of Cedar Mesa.

Also, 660 feet of 4-inch line has been built along south

side of R-75 road between 2425 Drive and the point of crossing of a line from the north. Taps presently served are Kapus and Ludlum. And, 160 feet of line was built on Cedar Mesa on Q Road near 2675, going from Q Road north to serve property owned by Oswald, Mitchell, and others not yet connected.

The Grand Mesa common line construction, being carried out by Cedaridge, is nearly complete for the year. It consists of about two miles of 12-inch line. The Association has paid for 20% of the cost of the pipe, but has not been billed yet for construction costs.

Hawkins mentioned continued interest in what is referred to as the Kissner-Ferguson Subdivision, a proposed 60-lot development northeast of the golf course. Developers have been asking about the possibility of water from the Association. There was discussion, but since no concrete requests have been received, there was no action.

There was discussion of future growth and capital requirements of the Association. General consensus was that growth is likely to continue at a rapid pace, and place more and more requirements on the system.

MOVED BY Burritt,

SECOND BY Kline to bring before the annual meeting a proposal to set the membership fee at \$6,000 (Six thousand dollars).

MOTION CARRIED with no opposing votes.

Bob Phillips asked to re-schedule the November meeting as he is planning to be out of town. The meeting was set for Monday, November 7.

Meeting adjourned at 9:25.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
November 7, 1994

Bob Phillips called the meeting to order at 7:40 p.m. at the office of Grand Mesa Water Users in Cedaredge. Board members present were Phillips, Hawkins, Burgess, Mcpherson, and Burritt. Also attending were Dan Hawkins and Jan Vandenberg.

The minutes of the previous meeting were read and approved without amendment.

Jan Vandenberg addressed the board concerning three taps she had purchased for property along 2475 Road on Cedar Mesa. The taps were purchased in anticipation of subdividing the land. Ms. Vandenberg stated she did not feel it was economically feasible for her to proceed with the subdivision. She asked the board to buy back the taps or allow her to move them to property elsewhere on the water system.

Phillips pointed out that Association by-laws forbid moving taps from the property for which they were originally granted, except in cases of hardship. Vandenberg stated it is a hardship for her because she will not be able to sell the property with the three taps unless she subdivides it, which she no longer chooses to do.

Discussion followed, concerning land values, tap relocation, and the board's definition of hardship. General consensus was that circumstances did not constitute a hardship. No action was taken.

Hawkins presented the financial report for October 1994.

MOVED BY Burritt

SECOND BY Mcpherson to accept the financial report.

MOTION CARRIED with no opposing votes.

Phillips reported on a dinner and informal meeting held November 1, 1994 between the Cedaredge Town Council and the Association board. At that meeting, Ed Marah reported on common line construction. He provided cost figures which were within what the Association had budgeted for its share of common line improvements in 1994. Also, Marah estimated that improvements to the treatment plant anticipated within the next two years might be accomplished for approximately \$500,000.

Hawkins reported on new pipeline construction. The Redlands Mesa supply line is completed, but is not yet in use. The Hoot Owl Valley line is complete from the top of Cedar Mesa to the Rulon Anderson home in the valley. Work is progressing on Cedar Mesa to complete that portion of the line along R Road. Hawkins estimated about \$45,000 remains to be spent on construction.

Hawkins estimated that at the end of the year the Association may be in a position of having to spend extra money to avoid incurring income taxes. The law covering non-profit corporations such as Upper Surface Creek require spending 85% of annual income to remain exempt from Federal income taxes.

MOVED BY Burgess

SECOND BY Burritt to pre-pay a portion of the loan owed to Cedaredge for the filter plant as needed to ensure disbursing 85% of our annual income.

MOTION CARRIED with no opposing votes.



Dan Hawkins presented a handout to directors recommending changes in Association operations. Rough cost estimates were included for such areas as office, shop and storage facilities, increased payroll, vehicle requirements, and radios.

MOVED BY Burgess

SECOND BY McPherson to investigate cost of constructing a headquarters building at the Cedar Mesa tank site, and compare with cost of renting.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:00 p.m.

*Dan Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING  
December 12, 1994

Bob Phillips called the meeting to order at 7:30 p.m. in the office of Grand Mesa Water Users, Cedaredge, Colorado. Directors present were Phillips, Hawkins, Burritt, Burgess, Kline, McPherson, and Peterson. Also attending was Dan Hawkins.

Minutes of the previous meeting were read and approved without amendment. Hawkins presented the November 1994 financial report.

MOVED BY Kline,  
SECOND BY Burritt to accept the financial report  
MOTION CARRIED without opposing vote.

Hawkins reported on pipeline construction, stating that both 6-inch sections are complete and operational, except that the south end of the Hoot Owl Valley leg is not yet connected to the existing system at R Road on Cedar Mesa. That connection will be completed in warmer weather to facilitate cutting and patching the county road pavement.

Hawkins reported that Dale Parker has requested commitment of two taps on his property north of R Road and east of 2550 road on Cedar Mesa. The property is crossed by the new 6-inch Redlands supply line. There was no objection to providing the taps.

Hawkins reported there has been a request for service approximately 1/4 mile north of U-50 Road, on the east side of State Highway 65. Although there is no line extending north from U-50 road, the system is capable of supplying water to that area.

MOVED BY Burgess  
SECOND BY Burritt to grant a tap in that area.  
MOTION CARRIED without opposing vote.

Hawkins reported Joe Whitson has requested a 2-inch tap off the line on R Road west of 2600 road. General agreement was to provide only the standard 3/4 X 5/8 tap specified in the by-laws.

Hawkins proposed the Association absorb an unused and delinquent tap in the name of Richard Fischer. The tap was originally issued for property north of S-25 Road, east of 2425 Road. Fischer left the area some years ago, and all attempts to contact him have failed. Fischer's ex-wife Darlyn agrees to relinquish all claim to the tap in return for forgiveness of the outstanding bill against it. There was no objection from the board to such an arrangement.

The proposed 1995 budget was reviewed. The greatest changes from previous budgets were in the areas of salaries and capital improvements. The proposed payroll is twice the previous year, and proposed capital improvements include the construction of an office/shop and possible acquisition of vehicles for company use. Bob Phillips and Dan Hawkins both reported on surveys of similar water companies to help arrive at comparable salaries and staff sizes.

MOVED BY Peterson  
SECOND BY Burritt to adopt the proposed budget for presentation to the stockholders at the annual meeting.  
MOTION CARRIED without opposing votes.

Bob Phillips offered to sell one share of Surface Creek water at a price of \$8,000. Phillips stated that one share would typically yield between five and six second feet.

MOVED BY McPherson  
SECOND BY Kline that the Association offer to buy one share of Surface Creek water from Bob Phillips at a price of \$8000.  
MOTION CARRIED without opposing votes.

Meeting adjourned at 9:45 p.m.

*John Hawkins*

BOARD MEETING

Dec. 8, 1959

Board members present: Mac Gorrod, Floyd McPherson, Vernon Vanderbilt, Robert Phillips and Ruel Loucks.

Vice President Gorrod opened meeting. Nominations were opened for president. McPherson nominated Phillips, Vernon Vanderbilt made a motion that nominations close. Seconded by Gorrod and Phillips was elected by acclamation. Gorrod nominated Vernon Vanderbilt for Vice President. Motion was made by Gorrod that nomination be closed and Vernon Vanderbilt be elected by acclamation. Vote 4 to one in favor of Vanderbilt. Nominations opened for Secretary. Motion made by McPherson and seconded by Gorrod that Ruel Loucks be retained as Secretary. Motion carried and Loucks was elected by acclamation.

Board to report at 2:00 P.M. at Cedaredge Town Hall on Tuesday December 15 to open material bids. Morrill read regulation on bids to board and instructed us on some of the ways of taking bids.

Floyd McPherson made motion to adjourn meeting at 4:15. Phillips seconded. Carried.

  
\_\_\_\_\_  
Ruel A. Loucks, sec

RAL:ep1

MEETING OF BOARD OF DIRECTORS  
DECEMBER 13, 1960

A meeting of the board of directors was held at 4:30 P.M. at the Cedaredge City Hall.

The meeting was called to order by president Robert Phillips. Members present were Robert Phillips, Ruel Loucks, Mack Gorrod, Vernon Vanderbilt, John Hawkins, and Fred Burritt. Ward Taylor of the F. H. A. and Laren Morrill, engineer, were also present.

Minutes of the last directors meeting were read and approved.

President Phillips asked for nominations for president for the coming year. Mack Gorrod nominated Robert Phillips. Vernon Vanderbilt moved the nominations close, seconded by Fred Burritt. Phillips was elected by acclamation.

The president opened nominations for vice-president. Mack Gorrod nominated Floyd McPherson. John Hawkins moved nominations cease, seconded by Vernon Vanderbilt, and McPherson was elected by acclamation.

Nominations were then opened for secretary-treasurer. John Hawkins nominated Vernon Vanderbilt, and Mack Gorrod moved the nominations be closed, seconded by Hawkins. Vanderbilt was elected by acclamation.

Mr. Taylor stated he had received closing instructions for the Redlands branch loan and final approval Oct. 18, 1960. He said it was called a constant flow system instead of a dole-valve system for Redlands Mesa. \$61,500. has been set aside for this loan.

The board agreed on March 15, 1961 as the loan closing date.

Meeting adjourned at 5:30 P.M.

*Paul A. Loucks*

Secretary

MEETING OF BOARD OF DIRECTORS  
January 2, 1962

Meeting was held at the Phillips home at 7:30 P.M.

Directors present were Robert Phillips, H. G. Burgess, Fred Burritt, John Hawkins, R. P. Sheppard, and V. W. Vanderbilt.

President Phillips called the meeting to order.

The secretary read the minutes of the last meeting, and they were approved as read.

Phillips asked for nominations for President for the coming year. Burritt nominated Phillips. Hawkins moved nominations close and Phillips be elected by acclamation, which was passed unanimously.

Phillips called for nominations for Vice-president. Sheppard nominated Fred Burritt. Burgess moved the nominations close and Burritt be elected by acclamation. Passed unanimously.

Phillips called for nominations for Secretary. Burritt nominated V. W. Vanderbilt, and Burgess moved nominations close and Vanderbilt be elected by acclamation. Motion passed unanimously.

With no further business, meeting adjourned at 8:00 P.M.

*V. W. Vanderbilt*

Secretary

MEETING OF BOARD OF DIRECTORS  
December 11, 1962

A meeting was held at Shep's Bakery at 4:30 P.M.

Directors present were John Hawkins, R. P. Sheppard, R. E. Phillips, and V. W. Vanderbilt.

R. E. Phillips called the meeting to order, and the secretary read the minutes of the last meeting, January 2, 1962. They were approved as read.



12-11-62 Cont'd.

Phillips stated the next item of business would be election of officers for the coming year.

R. P. Sheppard moved the same officers be retained for the next year; Namely-R. E. Phillips-President, Fred Burritt-Vice-President, and V. W. Vanderbilt-Secretary-treasurer. John Hawkins seconded the motion and it was carried.

Phillips said that the first Thursday of the month was going to conflict with other meetings for him. It was the decision to hold the board meetings on the first Tuesday night of the month.

With no further business, the meeting adjourned.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS  
December 10, 1963

A meeting of the board of directors was held at Shep's Bakery at 4: P.M.

Directors present were: R. P. Sheppard, R. E. Phillips, John Hawkins and V. W. Vanderbilt.

Minutes of the meeting held December 11, 1962 were read and approved.

R. E. Phillips stated the meeting was called for the purpose of electing officers for the next year.

R. P. Sheppard moved the same officers be elected for the next year, namely: R. E. Phillips-President, Fred Burritt-Vice President and V. W. Vanderbilt-Secretary-Treasurer. John Hawkins seconded the motion and it was passed.

Meeting adjourned at 4:30 P.M.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS  
December 8, 1964

A meeting of the directors was held at the Cedaredge Town Hall at 3:30 P.M.

Directors present were: R. P. Sheppard, John Hawkins, R. E. Phillips and V. W. Vanderbilt.

Minutes of the meeting held December 10, 1963 were read and approved.

Phillips stated that officers should be elected for the next year.

John Hawkins moved the same officers be elected. R. P. Sheppard seconded the motion. Motion carried.

Meeting adjourned at 3:45 P.M.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS  
December 14, 1965

A board of directors meeting was held at the Cedaredge City Hall at 3:00 P.M.

Directors present were: R. E. Phillips, R. P. Sheppard, John Hawkins and V. W. Vanderbilt.

R.E. Phillips called the meeting to order.

Minutes of the meeting held December 8, 1964 were read and approved.

Phillips called for noninations of officers for the coming year.

John Hawkins moved the same officers be retained for the year. R. P. Sheppard seconded motion. Carried.

Meeting adjourned at 3:15 P.M.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS  
December 13, 1966

A board of directors meeting was held at the Cedaredge City Hall at 3:30 P.M.

Board members present were: R. E. Phillips, R. P. Sheppard, John Hawkins, Fred Burritt and V. W. Vanderbilt.

Phillips called for noninations for officers for the coming year. A motion was made by Sheppard and seconded by Hawkins that the same officers be elected for another year, namely R. E. Phillips-President, Fred Burritt-Vice president, and V. W. Vanderbilt-Secretary-treasurer. Motion carried.

C. A. Cannon reviewed plans and specifications with the directors. Hawkins moved that Cannon be authorized to proceed and call for bids on construction. Sheppard seconded the motion. Motion carried. The date set for bid opening was January 19, 1967 at 2:00 P.M. at the Cedaredge City Hall.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS  
December 12, 1967

A board of directors meeting was held at the Cedaredge Town Hall, Dec. 12, 1967 at 3:00 P.M. Directors present were: Phillips, McPherson, Hawkins, Sheppard, Burgess & Vanderbilt. Hamilton, Cannon, Volk & Hilsen present. Phillips called for nominations for officers for the coming year. McPherson moved the same officers be retained for the coming year. H. G. Burgess moved the nominations close & directors be elected by acclamation. Carried.

Stanley Volk asked for an estimate of cost to install another tap on his lower place. The directors, Mr. Cannon and Joe Hamilton estimated 42¢ per foot for 1¼" plastic pipe and trenching, laying and covering. The association would charge a \$300.00 membership and pay up to \$380 on installation. Mr. Volk said he would do some figuring and let the association know what he decided.



12-12-1967 Cont'd.

The problem on Mr. Hilsen's line was discussed, and it was agreed to by-pass the cistern on top of the hill, and free-flow to Mr. Hilsen's cistern at his house to relieve the pressure on the line. Mr. Hilsen agreed to fix an overflow on his cistern in the spring of 1968, and pump all water used.

The meeting adjourned at 4:00 P.M.

V. W. Vanderbilt Secretary

MEETING OF BOARD OF DIRECTORS

December 10, 1968

A meeting of the Directors of The Upper Surface Creek Domestic Water Users Association was held at the Cedaredge City Hall at 3:15 P.M.

R. E. Phillips called the meeting to order.

Directors present were: R. E. Phillips, R. P. Sheppard, Floyd McPherson and V. W. Vanderbilt.

Phillips stated nominations were open for president of the board of directors for the coming year.

Floyd McPherson moved the same officers be retained for the next year, namely President-R. E. Phillips, Vice-president-Fred Burritt and Secretary-Treasurer-V. W. Vanderbilt. R. P. Sheppard seconded the motion. Motion carried.

Meeting adjourned 3:25 P.M.

V. W. Vanderbilt  
Secretary

MEETING OF BOARD OF DIRECTORS

12-9-1969

A directors meeting was held at the Cedaredge City Hall at 3:00 P.M.

Directors present were: Floyd McPherson, John Hawkins, R. E. Phillips, R. P. Sheppard, H. G. Burgess and V. W. Vanderbilt.

Phillips called the meeting to order, and asked for nominations for officers for the coming year.

Floyd McPherson moved the same officers hold over for the next year, (R. E. Phillips-President, Fred Burritt-Vice President and V. W. Vanderbilt-Secretary-Treasurer. John Hawkins seconded the motion. Motion carried.

The fire Hydrants were discussed and it was agreed to let the maintenance man make the rounds with some of the firemen to get the locations of the hydrants. It was also agreed that the locations could be marked on a map for the fire department if they wanted it.

The meeting adjourned at 3:15 P.M.

V. W. Vanderbilt  
Secretary

MEETING OF BOARD OF DIRECTORS  
12-8-70

A director's meeting was held at the Cedaredge Town Hall at 4:20 p.m.

Directors present were Floyd McPherson, R. E. Phillips, Edwin Fischer and John Hawkins.

Phillips called the meeting to order and asked for nominations for officers for the coming year.

McPherson moved the same officers hold over for the next year, being: R. E. Phillips, President; Fred Burritt, Vice-President; and John Hawkins, Secretary-Treasurer. Edwin Fischer seconded the motion. Motion carried.

McPherson made a motion that the board formally adopt the proposed budget for the year. Second by Fischer; carried.

Hawkins stated he had contacted Bryant Brothers Construction Company for purchase of pipe for proposed new lines and they had said it would be available and should be ordered around the first of January. It was agreed that we wait until after the first of January to make any decision on ordering pipe.

Motion by Fischer that meeting adjourn; second by McPherson; motion carried. Meeting adjourned at 4:35 p.m.

John W. Hawkins  
Secretary-Treasurer

MEETING OF BOARD OF DIRECTORS  
December 14, 1971

The Director's meeting was held at the American Legion Hall at 4:30 p.m. Directors present were Robert E. Phillips, president; Fred M. Burritt, vice-president; John W. Hawkins, Secretary-treasurer; Floyd McPherson, Rolland P. Sheppard, and Edwin J. Fischer, and Herschell Burgess Jr.

Phillips called the meeting to order and asked for nominations for officers for the coming year. Fischer MOVED that the Board remain as it is; SECOND by Sheppard. MOTION passed, with all in favor.

Fischer MOVED that the Board formally adopt the proposed buget for the year. SECOND by Burritt. MOTION passed, with all in favor.

The situation of the chlorinator was discussed. The secretary reported that the auditors, Calhoun and Associates, had suggested that some changes in our bookkeeping system are in order to facilitate a better audit. Sheppard MOVED that the president and secretary look into the situation and take whatever action is necessary. SECOND by Burritt; MOTION passed with all in favor.

There being no other business, the meeting adjourned at 4:40 p.m.

John Hawkins  
John Hawkins, Secretary

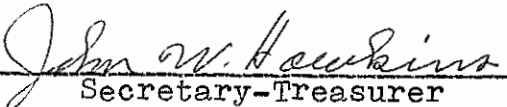
ANNUAL DIRECTORS MEETING  
December 12, 1972, at the All-Purpose Room, Hunsicker School,  
Cedaredge, Colo.

Meeting called to order by Chairman Bob Phillips at 9:30 P.M. It was noted that all Board members whose terms had expired had just been re-elected to succeed themselves by the members at the Annual Stockholders Meeting, and that all were present at this meeting, these being Bob Phillips, Floyd McPherson, Edwin Fischer, Rolland Sheppard, Herschel Burgess Jr., Fred Burritt and John Hawkins.

Chairman Phillips stated that the Board would have to elect new officers and asked for nominations. It was MOVED by McPherson and SECONDED by Burgess that the officers remain as they are and that a unanimous ballot be cast for Bob Phillips, president; Fred Burritt, vice-president; and John Hawkins, Secretary-Treasurer. MOTION CARRIED, and the ballot was cast.

MOTION by Fischer, SECOND by McPherson that Hawkins be reimbursed for the cost of refreshments for the Annual Meeting. CARRIED.

There being no further business, the meeting adjourned at 9:45 p.m.

  
Secretary-Treasurer

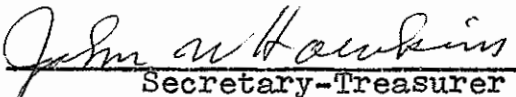
ANNUAL DIRECTORS' MEETING  
December 11, 1973  
AT THE ALL-PURPOSE ROOM OF HUNSICKER SCHOOL, CEDAREGE, COLORADO

The meeting was called to order by Chairman Robert Phillips at 9:45 p.m. immediately after the Annual Stockholder's Meeting. Present were: Phillips, Hawkins, McPherson, Burritt, Burgess, and Fischer.

Phillips reported that all the Board members whose terms had expired had been re-elected, they being himself, Burritt, McPherson, and Sheppard. He asked for nominations for officers of the Board of Directors for the coming year.

MOVED by Burgess, SECOND by McPherson, that the present officers be retained and an unanimous ballot be cast for Bob Phillips, President; Fred Burritt, Vice-President; John Hawkins, Secretary-Treasurer. The MOTION CARRIED and the ballot so cast.

There being no further business, the meeting adjourned at 10:00 pm.

  
Secretary-Treasurer

Approved: \_\_\_\_\_.



UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
ANNUAL BOARD OF DIRECTORS MEETING  
1974

The meeting was held December 10, 1974, in the Hunsicker School at Cedaredge, Colorado, immediately following the Annual Stockholders meeting.

Members present: Bob Phillips, Herschel Burgess, Jr., Floyd McPherson, Porter Sheppard, and John Hawkins.

Bob Phillips acting as chairman stated that the meeting was called for the purpose of organizing the Board of Directors for the ensuing year.

A motion was made by Sheppard and seconded by Burgess that the present officers be held over. These officers were:

Bob Phillips, Chairman; Fred Burritt, Vice Chairman; John Hawkins, Secretary-Treasurer. The motion carried.

Respectfully submitted,

  
John Hawkins, Secretary-Treasurer.

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
ANNUAL BOARD OF DIRECTORS MEETING  
1975

The meeting was held in the Hunsicker School in Cedaredge, Colorado on December 9, 1975, right after the Annual Stockholders' meeting.

Members present: Bob Phillips, Floyd McPherson, Fred Burritt, Porter Sheppard, Edwin Fischer, Herschel Burgess Jr., and John Hawkins.

Bob Phillips was requested to act as chairman pro-tem. He stated that the purpose of the meeting was for organization of the Board of Directors for the coming year.

Floyd McPherson moved that the present officers be retained. Edwin Fischer seconded the motion. The officers thus nominated were: Bob Phillips, Chairman; Fred Burritt, Vice-chairman; John Hawkins, Secretary-Treasurer. The motion carried.

There being no other business to come before the Board, the meeting adjourned.

Respectfully submitted,

  
John Hawkins, Secretary-Treasurer

ANNUAL BOARD OF DIRECTORS MEETING  
1976

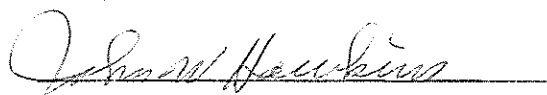
The meeting was held immediately after the Stockholders' Annual meeting on December 14, 1976, in the High School Gym at Cedaredge.

Board members present were: Herschel Burgess, Jr.; Fred Burritt; Eddie Fischer; John Hawkins, Bob Phillips, and R.P. Sheppard.

Upon request, Phillips chaired the meeting, and asked for nominations for officers for the coming year. It was moved by Fischer, second by Burgess, that the present officers be retained. Motion carried.

It being extremely cold in the unheated gymnasium, the meeting adjourned after a general agreement that the Association needs to find a different meeting place. The Association's annual meeting seems always to coincide with the school's annual band concert, making the multi-purpose room unavailable; other rooms are too small; the gym is too cold.

Respectfully submitted,

  
John Hawkins, Sec.-Treas.

ANNUAL BOARD OF DIRECTORS MEETING  
1977

The meeting was held in the American Legion Hall on Dec. 13, 1977, following the Annual Stockholders' meeting.

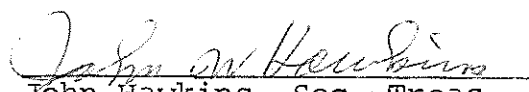
Board members present were: Burgess, Burritt, Hawkins, McPherson, Phillips, and Sheppard.

Temporary Chairman Phillips stated the purpose of the meeting was to organize the Board for the coming year.

It was moved by McPherson, second by Burritt, that the present organization be retained, it being: President, Phillips; Vice-President, Burritt; Secretary-Treasurer, Hawkins. The motion carried.

There was general discussion of various matters of concern, and following this, the meeting adjourned.

Respectfully Submitted,

  
John Hawkins, Sec.-Treas.

ANNUAL BOARD OF DIRECTORS MEETING  
1978

The meeting was held in the American Legion Hall on December 12, 1978, immediately following the Annual Stockholders' Meeting.

All seven Board members were present, they being: Herschel Burgess Jr.; Fred Burritt; John Hawkins; Herman Kline; Floyd McPherson; Bob Phillips; R. P. Sheppard.

Bob Phillips was asked to act as temporary chairman.

Phillips called the meeting to order, and stated that the first order of business was organizing the Board for the coming year.

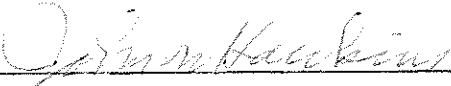
There was a motion by Sheppard, and a second by Kline, that the present officers be held over. The motion carried.

Officers thus elected were: Phillips, president; Burritt, Vice-President; Hawkins, Secretary-Treasurer.

There was brief discussion on the growth of the Association and the extra work it entails. On a motion by Floyd McPherson, and a second by Sheppard, the Clerk's salary was raised to \$400 a month. Motion carried.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
\_\_\_\_\_  
John Hawkins, Sec.-Treas,

ANNUAL  
BOARD OF DIRECTORS MEETING  
DECEMBER 11, 1979

In the absence of Chairman Phillips, the meeting was called to order at 9:40 p.m. in the American Legion Hall immediately following the Annual Stockholders meeting.

Board members present: Burgess, Burritt, Hawkins, Kline, McPherson, Sheppard.

Burgess made the motion that the Board remain as is for the coming year. Second by McPherson. Motion passed without opposition.

There was discussion about which auditor to have. Burgess made a motion that we retain Calhoun and Associates. Second by McPherson. Motion passed without opposition.

George Zimmerman appeared before the Board with a question of whether or not the Association will be willing to serve his proposed 10-acre subdivision in the undeveloped portion of Sage and Cedars subdivision in the future.

There was discussion on his request.

Statements were made that it is the intention of the Association to serve Zimmerman if it is possible -- if water is available and if he got started; that he may be asked to provide some water; that he would probably be required to buy the required 25% taps as is the policy for others. The general feeling was affirmative, with details to be worked out.

There being no further business, the meeting adjourned at 10 p.m.

Respectfully submitted.

  
John Hawkins, Secretary-Treasurer

MINUTES OF ANNUAL MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, DECEMBER, 1981

The meeting was held in the American Legion Hall, Dec. 8, 1981, immediately following the Annual Stockholders meeting.

Board members present: Herschel Burgess, John Hawkins, Herman Kline, Robert Phillips, Rolland P. Sheppard. Board member Floyd McPherson absent due to being in hospital with ruptured appendix.

Acting as chairman pro-tem, Mr. Phillips called the meeting to order at approximately 9:15 p.m.

Phillips called for nominations for Board Officers.

It was MOVED by Sheppard, SECOND by Burgess, that the officers remain as they are, those being:

President: Robert E. Phillips;  
Vice-President: Fred M. Burritt;  
Secretary-Treasurer: John W. Hawkins.

MOTION CARRIED without opposing vote.

Association Clerk Kathleen Hawkins asked the Board for their recommendation regarding obtaining signatures of all parties named on stock when the stock is to be transferred. A particular case in question regarded Rose Mary Nelson and her son, Jerry Lee Nelson. Mrs. Nelson was reportedly terminally ill in a hospital in Missouri. The certificate was lost. Jerry Nelson had provided a lost document bond with his signature as principal. The Association attorney had advised this to be acceptable. Mr. Nelson had also provided an Assignment of Interest Separate from Certificate with only his signature, after he had been requested to have both signatures. The Clerk asked the Board's discretion in accepting it as is. The Board advised that in no case could only one signature be provided; that as long as all parties are living, all parties must sign. There are to be no exceptions.


Mr. Dale Cernusak was present, requesting deferral of purchase of memberships for Parkwood Subdivision. After considerable discussion it was

MOVED BY SHEPPARD, SECOND BY KLINE, that the two memberships which were paid for in September, 1979, be issued and that the regular monthly charges be made against these certificates; and that the deferred memberships that were paid for in 1980 be issued at maturity on March 1, 1982; and that the purchase of memberships due in 1981 may be deferred until July 1, 1982 in recognition of the depressed building economy; and that the motion apply to Sherrill & Orton's Pinyon Estates Subdivision.

MOTION CARRIED without opposing vote.

There being no other business, the meeting adjourned.

Respectfully submitted,

  
Secretary-Treasurer



MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS  
OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
DECEMBER 14, 1982

The meeting was called to order at 8:15 by Board  
Chairman Bob Phillips.

Board members present were: Burgess, Hawkins, Kline,  
Phillips, McPherson, Sheppard.


The first order of business was organization of the  
Board for the coming year.

It was MOVED by Sheppard that the present officers be  
retained.

SECOND by Burgess.

Motion carried.

There being no further business, the meeting adjourned.

  
\_\_\_\_\_  
John Hawkins, Secretary

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MINUTES OF ANNUAL MEETING OF BOARD OF DIRECTORS DEC. 13, 1983

The meeting was called to order at 8:30 p.m. by Board  
Chairman Robert E. Phillips.

Board members present were: Kline, Phillips, McPherson,  
Sheppard, and Hawkins.

First order of business was organization of the Board  
for the coming year. It was moved by Sheppard, second by  
Kline, that the present officers be retained. Motion carried.

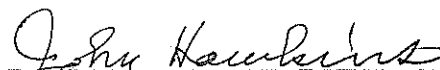
There being no further business, the meeting  
adjourned.

  
\_\_\_\_\_  
Secretary

MINUTES OF ANNUAL MEETING OF BOARD OF DIRECTORS, DEC. 11, 1984,  
At Community Center, Cedaredge, Colorado

The meeting was called to order by Chairman Pro-Tem Robert E.  
Phillips. Board members present: Burgess; Hawkins; Kline;  
McPherson; Phillips; Sheppard.

Phillips asked for nominations for officers for 1985.  
It was MOVED by McPherson, SECONDED by Sheppard, that the  
present officers be retained, they being: President: Phillips;  
Vice-President: Burritt; Secretary-Treasurer: Hawkins. MOTION  
CARRIED. There being no further business, the meeting adjourned  
at 9:15 p.m.

  
\_\_\_\_\_  
Secretary

MINUTES OF THE ANNUAL ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, HELD DECEMBER 10, 1985, at the Community Center, Cedaredge, Colorado.

Board members present were: Robert E. Phillips; Rolland P. Sheppard; Herman Kline; John Hawkins.

The meeting was called to order by Chairman Pro-Tem Phillips at 9:30 p.m., following the annual stockholders' meeting.

First order of business was organization of the Board for the coming year.

It was MOVED by Sheppard, SECONDED by Kline, that the past officers be re-elected, namely: Bob Phillips, Chairman; Fred Burritt; vice-chairman; John Hawkins, Secretary-Treasurer. MOTION CARRIED unanimously.

Secretary Hawkins presented a request from Mr. Gordon Orton, co-developer of Pinyon Estates Subdivision, to buy back one membership that he had purchased for the subdivision. The Board felt that this would not be appropriate, since this tap was purchased as part of an agreement with the Association to provide water to the subdivision and that Mr. Orton should be so notified.

There being no other business, the meeting adjourned.

John Hawkins  
Secretary-Treasurer

MINUTES OF THE ANNUAL ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS, HELD DECEMBER 9, 1986, AT COMMUNITY CENTER, CEDAREGE, COLORADO

Board members present were Herman Kline, Floyd McPherson, Robert E. Phillips, Rolland P. Sheppard, and John Hawkins.

The meeting was called to order by chairman pro-tem Phillips, immediately following the annual stockholders meeting.

First order of business was organization of the board for the coming fiscal year.

It was MOVED by McPherson, SECOND by Sheppard, that the past officers be re-elected, those being: Phillips, Chairman; Burritt, vice-chairman; Hawkins, secretary treasurer. MOTION CARRIED.

There being no other business, the meeting adjourned.

John Hawkins, Sec'y-Treas.

MINUTES OF THE ANNUAL ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS, HELD DECEMBER 8, 1987, AT COMMUNITY CENTER, CEDAREDGE, COLORADO.

The meeting was held immediately following the annual stockholders meeting. Board members present were: Phillips, Kline, McPherson, Sheppard, and Hawkins.

The meeting was called to order by chairman pro-tem Phillips.

Phillips announced the first order of business being the selection of board officers for the coming fiscal year.

It was MOVED by Kline, SECOND by McPherson that the present officers be elected, those being: Robert E. Phillips, chairman; Fred M. Burrirt, vice-chairman; John W. Hawkins, secretary-treasurer. MOTION CARRIED.

There being no further business, the meeting adjourned.

John Hawkins, Sec'y-Treas.

MINUTES OF THE ANNUAL MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS, DECEMBER 13, 1988, AT COMMUNITY CENTER, CEDAREDGE.

The meeting was held shortly after the Stockholders' Annual meeting. Board members present were: Herschel Burgess; Fred Burrirt; John Hawkins; Herman Kline; Robert E. Phillips; R. P. Sheppard.

Phillips acting as Chairman Pro-tem called the meeting to order at 9:15 p.m.

The first order of business was election of officers for the coming year.

MOVED by Sheppard,  
SECOND by Kline, that the present officers be retained. They were: President, Phillips; Vice President: Burrirt; Secretary-Treasurer: Hawkins.

MOTION CARRIED, and those above named were declared elected.

There being no further business, the meeting adjourned at 9:30 p.m.

John Hawkins, Secretary.

MINUTES OF ANNUAL MEETING OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS,  
DECEMBER 12, 1989, AT COMMUNITY CENTER, CEDAREGE, COLORADO

The meeting was held immediately following the annual meeting of the Association's stockholders. Board members present were: Herschel Burgess; John Hawkins; Herman Kline; Floyd McPherson; Robert Phillips; R.P. Sheppard.

Phillips was requested to chair the meeting; he called for order at 9:45 p.m.

The only item of business was choosing officers for the coming year. The current officers were: President: Phillips; Vice-President, Burritt; Secretary-Treasurer: John Hawkins.

MOVED by Burgess,  
SECOND by McPherson, that the above named officers be retained for the  
coming year.

MOTION CARRIED.

Phillips, Burritt, and Hawkins were declared elected.

The meeting adjourned at 9:30 p.m.

\_\_\_\_\_, Secretary

MINUTES OF ANNUAL MEETING OF THE BOARD OF DIRECTORS OF UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION, DECEMBER 11, 1990, COMMUNITY CENTER, CEDAREGE.

The meeting was held right after the conclusion of the annual stockholders meeting. Board members present were: Herschel Burgess; Fred Burritt; John Hawkins; Herman Kline; Robert Phillips; Porter Sheppard.

The meeting was called to order at 10:15 by Chairman Pro-Tem Phillips.

He called for re-organization of the Board, for the coming year.

MOVED by Kline,  
SECOND by Sheppard, that the present officers, consisting of Phillips as  
President; Burritt as Vice-President; Hawkins as  
Secretary-Treasurer, all be retained.

MOTION CARRIED, and those above named were declared elected to serve for  
the coming year.

There being no further business, the meeting adjourned at 10:30 p.m.

\_\_\_\_\_  
Secretary

MINUTES OF ANNUAL MEETING OF BOARD OF DIRECTORS OF UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION, DECEMBER 10, 1991, COMMUNITY CENTER, CEDAREDFGE, COLORADO.

Those present were: Robert Phillips; Fred Burrit; John Hawkins; Herschel Burgess; Floyd McPherson, and new Surface Creek Area member, Kelly Peterson.

Phillips acted as Chairman Pro-Tem, and called the meeting to order at 9:50 p.m.

MOVED by Burgess,  
SECOND by Burritt, that officers remain the same, these being: President, Phillips; Vice-President, Burritt; Secretary, John Hawkins.

MOTION CARRIED, and those above named were declared elected to serve for one year.

A welcome was extended to new board member Peterson.

An expression of thanks and appreciation for his long years of service were voiced for outgoing board member, Porter "Shep" Sheppard. The Secretary was instructed to write a letter of appreciation and thanks, and to obtain a plaque to be presented to Mr. Sheppard at a future date.

There being no further business, the meeting adjourned at 10:05 p.m.

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secretary



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
December 12, 1995

The meeting was held immediately following the Annual Stockholder's meeting in the Community Center, Cedaredge, CO. Directors in attendance were Phillips, Hawkins, Peterson, McPherson, Figueroa, Kline, and newly elected director for Redlands Mesa, Stan Sammons. Also attending were Dan Hawkins, John Vaisvil, and Helen Brownlee.

Bob Phillips called the meeting to order at 9:45 p.m. Since the primary purpose of the meeting was organization of the board, there was no reading of minutes or presentation of financial report.

MOVED BY McPherson,  
SECONDED BY Kline to retain the previous organization of the board, that is, President Bob Phillips, Vice-President Herman Kline, and Secretary-Treasurer John Hawkins.  
MOTION CARRIED with no opposing votes.

John Vaisvil inquired about procedures followed by Association personnel while installing taps or doing other pipeline maintenance. He felt that foreign material was finding its way into his home water line because of such activity, particularly during the tie-in of the Preston Lauderbach line in Cactus Park. Dan Hawkins assured Vaisvil that no contamination occurred during routine taps or scheduled line cuts. Hawkins stated that a rusty or muddy appearance is common when a line is shut down and then recharged, causing sediment to be stirred up and discoloring the water. He explained that there are sections of the system where it is not possible to prevent such discolored water from reaching houses. He advised Vaisvil to allow water to run until clear in such cases. Vaisvil answered that the Association should have flush-out points at closer intervals so that individuals should not have to flush their lines.

Helen Brownlee inquired about delays in processing a stock transfer involving Middle Earth, a Colorado Partnership. John Hawkins explained that, since several names appeared on stock certificate #816 issued to Middle Earth, all those individuals must now sign over the stock to show they have relinquished any claim to the certificate. In this way, the Association and the new property owner are protected against any future claim by any of the previous owners. Ms. Brownlee said that some of the original owners may not be reached to obtain their signatures. Hawkins replied that the Association must nevertheless have either the signatures or some legally acceptable document indicating that the original signatories can have no further claim to the stock.

Meeting adjourned at 10:30 p.m.

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD OF DIRECTORS ANNUAL MEETING  
DECEMBER 10, 1996

The meeting was held following the adjournment of the annual stockholders meeting in the Community Center in Cedaredge, Colorado.

Directors present were Robert E. Phillips, John Hawkins, Kelly Peterson, Wayne McPherson, Jerry Figueroa and Stan Sammons.

Chairman Pro-Tem Phillips called the meeting to order at approximately 9:15 p.m. The only matter for consideration was organizing for the coming fiscal year.

MOVED by Sammons,  
SECOND by Peterson, to retain the present board officers as is for the coming year, they being Phillips, president; Kline, vice-president; Hawkins, secretary-treasurer.

MOTION CARRIED with no opposing vote.

There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully Submitted,

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John Hawkins, Secretary

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
January 9, 1995

Bob Phillips called the meeting to order at 7:30 p.m. at the office of Grand Mesa Water Users, Cedaredge, CO. Directors present were Phillips, Hawkins, Burritt, Figueroa, Kline, McPherson, and Peterson. Also present were Dan Hawkins and Bill Ferguson.

Minutes of the previous meeting were read and approved without amendment. A financial report for December 1994 was presented.

MOVED BY Burritt,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Bill Ferguson represented developers proposing a subdivision called Cedar Mesa Estates located along the ridge east of the Cedaredge golf course. He stated the development would contain perhaps 30 to 40 lots, phased in four sections. He asked what commitments the Association could make to supply domestic water, and what would be expected from developers.

After general discussion, it was agreed that the Association is in a position to serve the proposed development. It would be desired that the developer plan for a storage tank to serve the area, and plan to build pipelines to the area. Also, the developer would be expected to make some additional up-front financial contribution the Association in addition to initial tap purchases.

Hawkins reported on the progress of various other subdivisions the Association has committed taps for. The Parker Subdivision has apparently been modified to only require one tap. The Zimmerman subdivision is in the final stage of approval. Jan Vandenberg is going ahead with three lots that she had previously expressed doubt about subdividing. The Marshall Airpark is not approved yet. A meeting is scheduled on Redlands Mesa with the County Commissioners late in January.

The idea of a shop and office building was discussed. It was generally agreed that a pre-engineered all steel building with space for storage, vehicle maintenance, and office should be planned for the Cedar Mesa tank property site.

MOVED BY Peterson,  
SECOND BY Figueroa to allow the manager to pursue purchase and construction of a steel building of approximately 3000 square feet in area suitable for office and warehouse use.  
MOTION CARRIED with no opposing votes.

Hawkins read a letter from Sue Bennett. Bennett had been provided with a copy of the 1994 CPA Review Report. She has

written that a CPA Review is not equivalent to an audit, and is requesting that an audit be performed. There was discussion of the difference between a CPA review and an audit. Figueroa stated an audit is usually conducted unannounced by an accounting firm not associated with the entity being audited. Phillips suggested asking our CPA firm to write a letter explaining the difference between review and audit procedures, and that letter be provided to Bennett.

Hawkins presented a memorandum illustrating a possible purchase of an increased share of the treatment plant and common line. The figures were based on ownership of 30% instead of the present 20%. The increased share could result in tripling the Association's water capacity through the plant, and could be done for as little as \$300,000. It was generally agreed to approach Cedaredge on the subject.

Salary levels for 1995 were discussed. It was agreed to set a temporary rate until all changes contemplated for 1995 have been made.

MOVED BY McPherson

SECOND BY Burritt to set total salaries at 48,000.00 per year until building is in place and staff re-organized.  
MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:00 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
February 16, 1995

Bob Phillips called the meeting to order at 7:30 p.m. at the office of Grand Mesa Water Users, Cedaredge CO. Members present were Phillips, Hawkins, Kline, Burritt, Peterson, McPherson, and Figueroa. Also attending were Dan Hawkins, Phyllis Kramer, John Burritt, and Stan Adams.

Minutes of the previous meeting were read and approved without amendment.

The financial report for January 1995 was presented.

MOVED BY Burritt,  
SECOND BY Kline to accept the financial report.  
MOTION CARRIED with no opposing votes.

Phyllis Kramer presented her plans for a minor subdivision on Redlands Mesa along the east side of 2640 Road near the intersection with M-50 Road. She plans to split off two five-acre lots, leaving the rest of her 29 acres intact. She requested commitment for two water taps to serve the two lots. Hawkins stated there are two possible sources of water, a two-inch line 1/4 mile north of M-50 Road, and another two-inch line along M Road about 3/8 mile south of Kramer's property line.

There was lengthy discussion of Association policy concerning who builds lines in such cases, the Association, or the individual needing a tap. Hawkins stated that there are several other lots to the south of Kramer which could want taps in the future if a line is constructed from the south.

MOVED BY McPherson,  
SECOND BY Peterson to commit two taps for Kramer if she contributes \$3,000 toward pipeline construction, or if one more tap is purchased along the pipeline route.  
MOTION CARRIED with no opposing votes.

Hawkins reported on current subdivision activity within the Association area.

- Cedar Mesa Estates: no new information.
- Zimmermann: Hawkins has written a letter to establishing the cost of pipeline extension at \$10,000. had telephoned Hawkins asking for relief of the current \$6,000 tap fee. There was no support among the board for discounting any tap fees. There was unanimous agreement to enforce Stockholder action and the by-laws.
- Vandenberg: seems to be going ahead with subdividing property where she had previously asked the Association to take back taps she had purchased.
- Redlands Airpark: Phillips reported on a work session with the County Commissioners February 15. At that session,



information was presented to the Commissioners intending to counteract some negative publicity about the Association arising from the Airpark dispute.

There was discussion of water use habits within the Association, particularly on upper Redlands. Dan Hawkins presented numbers which showed that, despite trouble serving that area in 1994, more than 7,500 gallons per month per household was supplied to the upper Redlands tank.

Dan Hawkins presented preliminary cost figures for the proposed headquarters building. Three quotes were received, from P&T Construction, DanCot Construction, and Keystone Builders. DanCot and P&T were very close together at approximately \$47,000. Keystone was \$75,000. These figures were for the steel building and concrete, not including office construction, wiring, plumbing, or heating.

MOVED BY Burritt,  
SECOND BY McPherson to purchase the building from DanCot.  
MOTION CARRIED with no opposing votes.

There was discussion of obtaining vehicles for company use. Management is thinking of two vehicles, a utility maintenance type, with pipe racks and tool bins, plus a light duty runabout pickup for meter reading etc.

MOVED BY Burritt,  
SECOND BY McPherson to authorize manager to use own discretion in obtaining vehicles for company use.  
MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:00 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
March 13, 1995

Bob Phillips called the meeting to order at 7:30 p.m. at the office of Grand Mesa Water Users, Cedaredge CO. Directors present were Phillips, Hawkins, Kline, McPherson, Burritt, Figueroa, and Peterson. Dan Hawkins also attended.

Minutes of the previous meeting were read and approved without amendment.

Hawkins presented a financial report for February 1995.

MOVED BY Kline,  
SECOND BY Burritt to accept the financial report.  
MOTION CARRIED with no opposing votes.

Hawkins reported that a steel building had been ordered from DanCot Construction, and a deposit of \$4,000 had been paid. There was discussion of heating system options for the building. The two methods under consideration were radiant heat by hot water coils embedded in the concrete floor, and forced hot air by unit heaters for the shop section with a separate wall furnace for the office. Dan Hawkins said the radiant floor heat would be more expensive, but is considered to be a more comfortable type of heat. Figueroa suggested that an oil fired system be evaluated as he believes that heating oil is currently more economical than propane.

MOVED BY McPherson,  
SECOND BY Burritt to use radiant floor heating.  
MOTION CARRIED with no opposing votes.

Dan Hawkins agreed to investigate alternative fuels.

Hawkins reported Jack Zimmermann has withdrawn his proposed Deer Park minor subdivision from the county approval process. He intends to proceed with Sage and Cedars II, Deer Run, and Canto Vista.

Hawkins reported that action has been postponed on the Redlands Airpark until April 10.

Dan Hawkins presented the water rate schedule which has been in effect for the past several years and asked for board review. No changes were recommended.

Figueroa suggested that company policy regarding construction of new water lines along county roads to serve new taps should be solidified in order to avoid lengthy discussion of each case. There was lengthy discussion of this, but no action was taken.

Meeting adjourned at 9:15 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
April 10, 1995

Bob Phillips called the meeting to order at 7:40 p.m. at the Grand Mesa Water Users office, Cedaredge. Directors present were Phillips, Hawkins, Kline, Figucroa, McPherson, Peterson, and Burritt. Also attending was Dan Hawkins.

Minutes of the previous meeting were read and approved without amendment. Hawkins presented a financial report for March 1995.

MOVED BY Kline,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Hawkins presented a report of subdivision activity within the system. The Redlands Airpark proposal has been modified so that it is no longer designated an airpark. Further action has been postponed until May 3. The State Forestry Department has suggested a holding tank or cistern of 20,000 gallons for fire protection. After discussion, there was general agreement to recommend to the developer that the stretch of 2" pipeline remaining along N road be replaced with 3" in order to augment fire flow.

Zimmermann has withdrawn plans for Deer Park and Deer Run minor subdivisions along 2475 Road. He still plans to build a pipeline along 2475 Road to serve the properties which were originally proposed for subdivision, but it will not be as soon as previously thought.

Vandenberg is proceeding with subdivision of her property at the corner of 2475 and R roads. Zimmermann wishes to cross an Association pipeline with an access road from Vandenberg's subdivision into Canto Vista to the north. Hawkins requested authority to write a letter to Zimmermann stipulating that he be responsible for protection of the pipeline and road if such a crossing is constructed.

MOVED BY McPherson,  
SECOND BY Kline to authorize the manager to write such a letter.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported on building progress. Rough site grading is done. A gravel pad has been placed and leveled, and we are waiting on the concrete work to be performed by Dancot. DMEA has staked the site for power line extension and is working up an agreement.

Hawkins reported that Dennis Speck wishes to construct a pipeline in the area between Cactus Park and Currant Creek, about a mile north of Q road. He would connect to a 2" Association pipeline on the property currently owned by Jan Greene, and proceed East to 2725 road, then north to his property. The line would be taken over by the Association after it is constructed by Speck. There was no opposition to such an arrangement.

There has been inquiry about water service on Redlands Mesa for property located 1/4 mile west of 2700 Road and 1/2 mile north of O Road. The property could be served from main lines along either road.

MOVED BY Peterson

SECOND BY Figueroa to authorize the manager to deal with the owners of this property and work out the best way to get water to them.

MOTION CARRIED with no opposing votes.

Hawkins reported that construction of a pipeline through the Harrington property along T-50 road is about to get started.

Meeting adjourned at 9:20 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
May 8, 1995

Bob Phillips called the meeting to order at 7:30 p.m. in the office of Grand Mesa Water Users, Cedaredge. Directors present were Phillips, Hawkins, Figueroa, McPherson, Burritt, and Peterson. Also attending were Dan Hawkins and Stan Adams.

Minutes of the previous meeting were read and approved without amendment. Financial report for May 1995 was presented. There was discussion of payments to the Colorado Department of Labor, Brewer Construction, and a Right of Way fee.

MOVED BY McPherson,  
SECONDED BY Peterson to accept the financial report.  
MOTION CARRIED without opposing vote.

Hawkins reported that he had purchased two trucks for the Association from Hanson GMC Truck in Montrose. The meeting adjourned briefly to inspect the vehicles, which had been driven to the meeting. They are a 1991 Ford Ranger four-wheel-drive and a 1985 Chevrolet 3/4-ton with a utility box. After resuming the meeting, the board discussed placing signs or logos on the trucks.

MOVED BY Figueroa,  
SECONDED BY McPherson to initiate a logo contest among the shareholders and their families. First prize will be \$100 cash, second prize will be \$50 cash. The winning logo will be used on vehicles, stationery, and the newsletter.  
MOTION CARRIED without opposing vote.

Hawkins inquired as to board preference for an agency to provide insurance for vehicles and building. Discussion generally favored obtaining the minimum legally required liability coverage. Whiteside Agency was suggested as a starting point, and the manager was authorized to obtain quotes and use own discretion in selecting insurance.

Dan Hawkins reported that the delivery date for the building is later than previously thought. DanCot is estimating June 10, 1995.

Hawkins reported that Jess Marshall's development on Redlands has been resubmitted to the County as a plain subdivision, not as an airpark as originally planned. The approval process must now be repeated. Burritt requested that a letter dated April 24, 1995 written by John Hawkins to the Delta County Planning Commission be read. Dan Hawkins read



the letter. Burritt objected to a section of the letter dealing with a proposed cistern at the Marshall subdivision. He stated he felt the Association was taking a position with regard to fire protection and that the Association should stay out of fire protection issues. Chairman Phillips stated that he felt the letter fairly represented the discussion by the board on the issue at the last meeting. The other board members agreed.

Dan Hawkins reported that Dayton Myers, Jr. had terminated his employment with the Town of Cedaredge and applied for work with the Association. Myers had been employed by the Town for about eight years, and was in charge of water and sewer operations and maintenance. There was general discussion of Myers's qualifications and character. Comments were positive from those directors who know Myers. Figueroa inquired about the justification for hiring another employee. Dan Hawkins explained that, toward the end of 1994, a study had been made into the work requirements of the Association, and the personnel situation of comparable water companies, and it indicated that more help would be needed in 1995.

MOVED BY Figueroa

SECONDED BY McPherson to hire Dayton Myers full time at an hourly wage of \$10.00.

MOTION CARRIED with no opposing votes.

John Hawkins reported that a 700-foot section of 4-inch line along T-50 Road across the north edge of the Harrington property is finished. Bob Brewer did the construction.

Hawkins reported Delta County is preparing to pave a section of 2600 Road on Cedar Mesa, between P Road and Q Road. The Association line along that road is 35 years old, undersized, and will be located under the pavement. He recommended replacement of the line before paving begins. Sufficient 4-inch pipe is on hand to do the job.

MOVED BY Burritt,

SECONDED BY Peterson to build a 4-inch line along 2600 Road from P Road to Q Road.

MOTION CARRIED with no opposing votes.

Stan Adams inquired into the status of the Redlands supply line. Dan Hawkins replied that much of the 2-1/2 inch line has been bypassed with 6" and 4" inch line, in addition to reconfiguring the distribution so that about 150 taps previously served by the Redlands supply are now served by Hoot Owl Valley. Approximately one mile of the original 2-1/2 inch line remains as a potential bottleneck for Redlands.

Meeting adjourned at 9:45 p.m.



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
June 12, 1995

Bob Phillips called the meeting to order at 7:40 p.m. in the office of Grand Mesa Water Users, Cedaredge, CO. Directors present were Phillips, Hawkins, Peterson, McPherson, Figueroa, and Kline. Also attending were Dan Hawkins, Fred Ferganchick, and Jess Marshall.

Minutes of the previous meeting were read and approved without amendment.

Hawkins presented a financial report for May, 1995.

MOVED BY Kline,  
SECOND BY McPherson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Fred Ferganchick asked the board to consider relieving him from compliance with a written agreement entered into in 1991 between Fred and Theresa Ferganchick and the Association. That agreement stipulated that Ferganchicks would build any water line required to serve the property previously occupied by the Cedaredge Dump. Ferganchick asked to be allowed to use the existing polyethylene line from Panorama Heights which originally was provided to Cedaredge for the dump caretaker. Dan Hawkins stated the poly line was not acceptable due to its poor quality and a history of leaks.

There was discussion of the possibility of a new line coming from the east along Q-50 road from the present Radcliff tap, either constructed by Ferganchick, or any of several developers who are expressing interest in the area south of Ferganchicks property. It was decided to table the matter to await further information on possible development, and to allow Ferganchick to use the poly line temporarily while his house is under construction.

Hawkins reviewed events surrounding the Association's involvement in the approval process for Jess Marshall's Redlands Subdivision. Hawkins read a portion of a letter to the Association received from Mark Welsh and others in which legal liabilities to the Association were suggested. Hawkins also read portions of two letters sent by Sue Bennett regarding a pipeline which she claims is on her property, although the Association installed the line within the County road right-of-way, with a permit from the County to do so. Bennett threatened legal action if any attempt is made to oversize or replace any section of the line in order to satisfy requirements of the Redlands

Subdivision.

Figueroa stated he is concerned about the Association's legal liability position with regard to the use of Association water for fire fighting. He believes all shareholders should be advised of the Association's position on any use of water for other than domestic or agricultural purposes.

MOVED BY Figueroa

SECOND BY McPherson to consult an attorney about the Association's legal position with regard to all issues which have arisen during the Redlands Airpark/Subdivision approval process, and also seek advice on a policy letter to shareholders.

MOTION CARRIED with no opposing votes.

Jess Marshall reported that a letter from the State Forestry Department suggested a cistern at the Redlands Subdivision for fire protection, if hydrants are not available. Marshall stated he preferred hydrants. There was much discussion, but no action was taken. The consensus among board members was that the Association should take no position with regard to the details of fire protection schemes at the subdivision, except to insure the safety and integrity of the system and the water.

Dan Hawkins stated the concrete slab is in place for the building. Delivery of the steel structure is expected any day.

John Hawkins reported that pipeline construction on 2600 road on Cedar Mesa is nearly complete. There was discussion of continuing south from P Road before the paving begins. Approximately 3/4 mile of new line would be required to connect with the existing galvanized line which follows 2420 Drive down off Cedar Mesa.

MOVED BY Kline,

SECOND BY Figueroa to construct a 4" line from P Road south on 2600 road, connecting to the existing galvanized line along 2420 Drive north of Kenneth Harfst.

MOTION CARRIED with no opposing votes.

Hawkins reported that Jack Zimmermann has dropped his minor subdivision plan on the west side of 2475 Road on Cedar Mesa. However, he has sold the property, and wishes the Association to build a pipeline from R Road south, and Zimmermann's expense. Zimmermann has expressed interest in developing his land further to the south on 2475 Road, possibly up to 30 lots. This led to a report from Phillips on a conversation with representatives of the Figure 4 property, who may wish to subdivide and purchase water from the Association.

Hawkins suggested that, in light of possible increased

development, the line along 2475 road should be made 6" instead of 4". Consensus among the board was to build the line 6" and charge Zimmermann for 4". Hawkins asked to order a load of mixed 6" and 4" pipe for this and other construction, at a cost of approximately \$25,000.

MOVED BY Kline,  
SECOND BY McPherson to order a load of pipe.  
MOTION CARRIED without opposing votes.

Phillips reported Fred Burrirt had resigned from the board. There was discussion of appointing a replacement director. It was agreed to table the appointment while possible candidates are considered.

MOVED BY KLINE,  
SECOND BY Peterson to accept Fred Burrirt's resignation and to get plaques of appreciation made for Burrirt and Bud Burgess.  
MOTION CARRIED without opposing votes.

Meeting adjourned at 10:40 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
July 10, 1995

Bob Phillips called the meeting to order at 7:45 p.m. in the office of Grand Mesa Water Users, Cedaredge, CO. Directors present were Phillips, Hawkins, Figueroa, and Kline. Also present were Dan Hawkins and Stan Adams.

Minutes of the previous meeting were read and approved without amendment.

Hawkins presented a financial report for June, 1995.

MOVED BY Kline,  
SECOND BY Figueroa to accept the financial report.  
MOTION CARRIED with no opposing votes.

Hawkins reported the headquarters building steel framework is finished, and wall sheeting is installed. The roof is not finished yet. The board reviewed a proposal from Peterson Plumbing for all remaining plumbing and heating materials and labor. After discussion,

MOVED BY Figueroa,  
SECOND BY Kline, to seek bids from local contractors for plumbing and electrical work. Interior framing and finishing for office area may be accomplished by Association employees, if time permits. If office framing and finishing is contracted, the bids are to be sought.  
MOTION CARRIED with no opposing votes.

Pipeline construction along 2600 road is complete from Q Road south to P Road. The segment from P Road south 3/4 mile to connect with existing galvanized north of Harfst is to begin construction the week of July 10.

Hawkins reported that Jack Zimmermann will use three taps purchased so far for his Canto Vista subdivision. He has asked the Association to construct a new line from R Road south along 2475 Road to serve two parcels which formerly were to be designated as minor subdivisions Deer Park and Deer Run. Zimmermann is to pay for the line, as per previous agreement.

There was nothing significantly new concerning the Marshall Subdivision on Redlands Mesa. The County Attorney has written a



letter to the County Commissioners assuring them that this Association may legally maintain, upgrade, or replace the water line located within the county right-of-way in front of Sue Bennett's property. This action was in response to previous letters from Bennett threatening legal action if the Association attempted to perform any such operations.

Bob Phillips reported on a meeting with Association attorney Aaron Clay, regarding fire protection policies and other legal questions which have arisen during the Redlands Airpark/Subdivision proceedings. Clay recommended inclusion of a policy statement with the water bill and newsletter to each shareholder. Clay's legal opinion is that the Association will incur no liability through providing, or failing to provide water for fire protection.

Also, with regard to the previously mentioned letters from Sue Bennett, Clay stated that, once a pipeline is installed, the pipeline owner is legally able to perform any operations necessary on the line.

Hawkins presented a draft of a fire protection policy letter. Discussion created some minor alterations to the letter, which were agreed upon by consensus.

MOVED BY Figueroa


SECOND BY Kline to submit the policy letter to the shareholders via regular mail with their water bills, and to provide the letter with all new membership applications.  
MOTION CARRIED with no opposing votes.

Hawkins reported that Dave Stemple applied for a land split, which was approved by the Planning Commission with the stipulation that Stemple buy a water tap. That stipulation may be appealed by Stemple to the County Commissioners.

Also, Herman Oswald has applied for a split. It would be desirable for the Association to obtain clarified easements for existing water lines on Oswalds property, and also to seek an easement for a future line along Oswalds west boundary, which runs north from Q Road 1/4 mile. The application has been tabled by the planning commission until the easement questions are resolved. Hawkins asked the board if the easement for the future pipeline along Oswalds west boundary should be pursued.

MOVED BY Figueroa

SECOND BY Kline to continue to press for the easement as



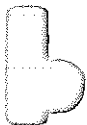
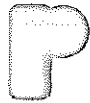
part of the Association's involvement in the application process.

MOTION CARRIED with no opposing votes.

The board instructed staff to get an outside panel of judges to pick the winning logo entries. Suggested were Kathy Wellman, Dan Ames, and Connie Williams. The board will confirm or override the panel's decision at the next board meeting.

Meeting adjourned at 9:20 p.m.

*John Hawkins*



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
August 14, 1995

Bob Phillips called the meeting to order at 7:45 p.m. in the boardroom of the Association headquarters. Directors present were Phillips, Hawkins, Peterson, Kline, McPherson, and Figueroa. Also attending were Don Mikel, Dan Hawkins, and Helen Hawkins.

Minutes of the previous meeting were read. The minutes stated that Dave Stemple's application for a land split had been denied by the County Planning Commission. Hawkins offered an amendment to the minutes stating that the application had been approved with the stipulation that Stemple purchase a water tap from the Association. The minutes were approved with the amendment.

A financial report for July 1995 was presented.

MOVED BY Kline,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Phillips suggested paying the balance of the loan to the Town of Cedaredge for the Association portion of the filter plant. There was discussion, during which it was concluded that sufficient funds would be available to do so.

MOVED BY McPherson  
SECOND BY Figueroa to pay the balance of the filter plant debt.  
MOTION CARRIED with no opposing votes.

Don Mikel was present to apply for a tap as required by the Planning Commission, as he is proposing a split of his property. Mikel had signed a letter in 1994 which called for a moratorium on tap sales and stated that the Association did not have the resources to serve the taps currently owned or committed. On being questioned about this letter, Mikel told the Board he felt he was simply making an inquiry into the status of the Association. Kelly Peterson commented that the Board would prefer to have open dialogue with users when problems or questions arise. Further discussion seemed to indicate that Mikel no longer thinks a moratorium is justified.

MOVED BY McPherson  
SECOND BY Kline to grant Don Mikel a water tap.  
MOTION CARRIED with no opposing votes.

Hawkins reported that line construction is complete on 2600 Road and 2475 Road. He stated that the line along 2525 Road south from Q road may have to be done this year to serve Laurie Lane. After discussion, it was agreed to stay with the 1994 board decision to build that line along the east side of 2525 Road.

There was discussion of the matter of road access into the Association headquarters. The present road is on an easement granted by Ashburn at the time the property was purchased. Since then, Ashburn has objected to use of the road by anybody other than Association employees. There have been allegations of trespassing, calls to the Sheriff, and unpleasant confrontations. Dan Hawkins reported he has discussed possible access from the east across property owned by Alan and Brenda Rogers. So far, the Rogers' are reluctant. There was discussion of possible land swap with Rogers, or a cash offer.

MOVED BY Figueroa,  
SECOND BY Kline to offer to trade a piece of Association property lying between the Lone Pine Ditch and Alan Rogers for a parcel along the south side of Rogers to be used as road access. As an alternative to the property trade, \$2,000 cash may be offered.  
MOTION CARRIED with no opposing votes.

Quotes from electrical contractors were reviewed. Delrose Electric bid \$1875 and Burnett Electric bid \$4450.

MOVED BY Figueroa,  
SECOND BY Kline to hire Delrose Electric to wire the Association headquarters.  
MOTION CARRIED with no opposing votes.

Kline questioned the legality of the present situation at the filter plant. He believes that there are no licensed operators employed by Cedaredge at this time. Phillips stated he believed the Association would not be liable for water quality, since, by agreement, the Town is the operator of the filter plant.

Dan Hawkins reported that the logo contest entries had been reviewed by Dan Ames, Cathy Wellman, and Connie Williams. The forty-two submissions had been narrowed to five, which were ranked in order of preference. From these five, the Board voted their choices. First place was awarded to Amy Daniels. Second place was Kelli Burgess.

Meeting adjourned at 10:00 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
September 11, 1995

Chairman Bob Phillips called the meeting to order at 7:45 p.m. in the board room of Association headquarters. Directors present were Phillips, Hawkins, Kline, Peterson, McPherson, and Figueroa. Also attending were Dan Hawkins and Helen Hawkins.

Minutes of the previous meeting were read and approved without amendment.

A financial report for August 1995 was presented.

MOVED BY Kline,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Hawkins reported that Herman Oswald still seems to be interested in a land split on the east end of Cedar Mesa. Hawkins has provided Oswald with a letter specifying the Association's desires as to easements.

Dan Hawkins reported on negotiations with Alan and Brenda Rogers over a proposed land swap to obtain road access to Association headquarters. Rogers has asked for the land east of the lone pine ditch, approximately .84 acres, in return for a 40' by 330' strip along the south end of the Rogers property, to be used as access from County Road 2525. Also, the Rogers' want \$600 in cash, and for the Association to assist with relocating fences, a corral, and a small shed.

MOVED BY McPherson,  
SECOND BY Kline to proceed with the trade. Association is to deed land between the Lone Pine Ditch and the present east boundary to Rogers. Also, the Association is to pay Rogers \$600, assist with fence relocation, and assume all fees and survey costs.  
MOTION CARRIED with no opposing votes.

John Hawkins estimated that approximately \$20,000 will be required to finish the headquarters building.

Hawkins reported on a proposed land split along 2700 road, on the grade from Dry Creek onto Redlands Mesa. The owner, Darrow, wants to know if the Association can serve that area. There is presently no pipeline closer than 1/2 mile to the proposed land split. Discussion centered around the possibility of a future supply line for Redlands Mesa following 2700 Road. Phillips observed that the area lies within the Association service territory.

MOVED BY McPherson,  
SECOND BY Peterson to inform Darrow that the Association can serve the area along 2700 road, but that the question of line construction would have to be negotiated in the



future.

MOTION CARRIED with no opposing votes.

Hawkins reported a request from Gerhardt Reukert to use a right-of-way tap to fulfill his agreement to purchase taps for Willow Creek Ranchos. The tap was issued to Geyer very early in the Association's history, and has never been installed. Discussion centered around the advantages of resolving this floating tap, versus the need for Reukert to adhere to the agreement.

MOVED BY Hawkins,

SECOND BY McPherson, to allow Reukert to use the old right-of-way tap in Willow Creek Ranchos.

MOTION CARRIED with no opposing votes.

*John Hawkins*

~~Bob Phillips~~ pointed out the need for a Vice President, since Fred Burrirt resigned. Peterson nominated Herman Kline. McPherson seconded. Being no other nominations, Phillips declared Kline elected Vice President.

Hawkins reported that payment of the filter plant loan to Cedaredge has not been done yet. Ed Marah is investigating possible effects on the Town under the provisions of Amendment 1. Discussion indicated it could be advisable to postpone payment until the Town's plans for the treatment plant enlargement are firm.

Dan Hawkins brought up the need for a pipe locator. There is much activity underway by TDS Telecom in the Association area, requiring precise location of our lines. Hawkins recommended a Metro Tech brand, or equivalent, at a cost of \$2000-\$2500.

MOVED BY Kline,

SECOND BY Figueroa to authorize purchase of a locator.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:00 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
October 9, 1995

Bob Phillips called the meeting to order at 7:35 p.m. in the board room of Association headquarters. Directors present were Phillips, Hawkins, Figueroa, Kline, McPherson, and Peterson. Also attending were Jack Zimmermann, Rick Zimmermann, Dan Hawkins, and Helen Hawkins.

Minutes of the previous meeting were read and approved without amendment.

Hawkins presented a financial report for September of 1995.

MOVED BY McPherson

SECOND BY Figueroa to accept the financial report.

MOTION CARRIED without opposing votes.

Jack Zimmermann presented a proposal regarding his land developments on Cedar Mesa. In lieu of purchasing water taps for cash, Zimmermann offered to grant the Association first deed of trust to lots in Canto Vista Subdivision, and future lots which may be divided out of a 35-acre tract bordered by Q-50 and 2475 Roads.


In return, the Association would commit taps for those lots.

Bob Phillips stated that the Association does not seek to promote or control growth in our service area, and cannot be involved as a partner in any profit-seeking venture. There are legal questions as to whether such an arrangement would violate by-laws or the Association charter. He also expressed doubt that the Association wants to get into the land business.

Hawkins commented that the Board needs to reflect on the proposal and decide whether there is sufficient interest or merit to pursue the matter further. There was further discussion, but no action.

Dan Hawkins reported that the application for boundary adjustment has been signed by both the Association and Alan Rogers, and will be considered by the County Commissioners at their next meeting. Construction of a new driveway could begin on approval.

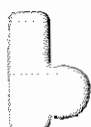
John Hawkins reported on common line improvements done by the Town of Cedaredge. A 12-inch intake into Surface Creek has been completed. No changes to the Marcotte intake have been made.



Kline stated he believed that screens on the intake boxes at springs are not being cleaned regularly by the Town. He inquired if the Association should clean the screens. Phillips replied that such work is agreed to be the responsibility of the Town.

Meeting adjourned at 9:20 p.m.

*John Hawkins*



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
November 27, 1995

Bob Phillips called the meeting to order at 7:35 p.m. in the boardroom of Association headquarters. Directors present were Phillips, Hawkins, Kline, Figueroa, Peterson, and McPherson. Also present were Dan Hawkins and Helen Hawkins.

Minutes of the previous meeting were read and approved without amendment.

Hawkins presented financial reports for October 1995 and month-to-date for November 1995.

MOVED BY Kline,  
SECONDED BY McPherson to accept the financial reports.  
MOTION CARRIED with no opposing votes.


Hawkins reported on follow-up to a proposal to the Board by Jack Zimmermann in October 1995. Zimmermann had proposed to grant deeds of trust to the Association on certain development properties, in lieu of purchasing water taps to satisfy County requirements. Hawkins stated he had polled the Board and then written a letter to Zimmermann refusing the proposal. Hawkins asked the Board to read the letter and consider ratifying it.

MOVED BY Kline,  
SECONDED BY McPherson to ratify the letter to Zimmermann refusing to accept deeds of trust in return for water tap commitments.  
MOTION CARRIED with no opposing votes.

Hawkins presented to the board a letter from Jack Zimmermann with a new proposal. Zimmermann would place in trust the sum of \$48,000 to be held pending County governmental approval of his proposed Sorrento Heights development, located at Q Road and 2475 Road. Upon approval, funds would be released and used to purchase taps for the eight lots proposed. Based upon the funds held, the Association would commit eight taps to the development. Discussion among the board was generally favorable to the idea.

MOVED BY Figueroa,  
SECONDED BY McPherson to accept the proposal from Jack Zimmerman, provided the Secretary first consult with attorney Aaron Clay.  
MOTION CARRIED with no opposing votes.


Hawkins reported that a new 4" pipeline had been constructed along the east side of 2525 Road from Q Road south to P-75 Road. Also a 4" line crossing 2525 Road heading west to Laurie Lane's tap, then a 2" line south to the north edge of McPherson orchards. This line had



been discussed and approved earlier in the year, but was not anticipated to be built this year. It was expedited by a new tap installed in the area. A fire hydrant purchased by Wayne McPherson was installed at the south end of the 4" line. Two taps for Laurie Lane and the McPherson packing shed tap have been connected to the new line.

Hawkins reported that a short stretch of 2" line was constructed in Cactus Park in conjunction with the Preston Lauderbach line. Lauderbach built approximately 2000' of line to serve his and another tap. It was decided to tie into the Lauderbach line and use a part of it to parallel a section of the original galvanized line crossing Cactus Park.


Jerry Figueroa questioned the decision to use propane for heating the headquarters building. He stated he believed that fuel oil was more economical, and that the staff had earlier been instructed to research potential heating methods and bring the findings to the board for approval. A search of the minutes could find no formal action by the board, although it was generally agreed that fuel had been discussed at a meeting earlier in the year. Dan Hawkins stated the decision to use propane was based mainly on the ready availability and serviceability of gas fired equipment.



Dan Hawkins reported that there has been a lot of damage to the water system by Silicon Mountain Communications, a contractor for Delta County Tele-Comm. He said that he and Dayton Myers have spent nearly full time the past month assisting Silicon Mountain, but have been unable to prevent numerous line breaks which appear to have no justification. After discussion, it was agreed by consensus to compile a list of incidents and consult with attorney Aaron Clay about the best way to halt the damages and seek compensation.

Bob Phillips reported on a meeting with Ed Marah concerning the Town of Cedaredge's plans for treatment plant enlargement. The Town plans to upgrade the common pipeline from the treatment plant to the point of divergence with Upper Surface Creek. Also planned is another filter module at the plant. Costs to the Association should be in the vicinity of \$100,000.

Hawkins talked about an abrupt increase in charges from the Town for treatment plant expenses. He explained that part of the increase for the past two months was due to a significant leak on the new Hoot Owl Valley line which went undetected until October, and created unusually high treatment charges from the Town. But also, the charges for man-hours worked at the treatment plant have more than doubled over last year. It was agreed that an explanation should be sought from the Town regarding the increase in man-hours.



Hawkins presented to the board a bill from the Town which seeks payment for a portion of the Town's cost in the settlement of a lawsuit brought by their former employee, Dayton Myers. The town claims that most of the overtime paid as a result of the settlement was spent at the filter plant, making the Association liable for a part of it. Also, the Town seeks compensation for attorney fees in connection with the lawsuit. Board members agreed not to pay the bill as presented, but to attempt to find out how much, if any of the overtime paid to Mr. Myers was

actually spent at the filter plant. It was agreed to consult with Attorney Clay regarding the propriety of paying any of the bill.

Bob Phillips reminded the board that it had previously considered paying off the debt owed the Town of Cedaredge on the filter plant. John Hawkins recommended paying \$30,000 this fiscal year, and paying the remainder next year, contingent on the Association's financial position and the progress of plans to upgrade the plant.

MOVED BY McPherson,  
SECONDED BY Kline to pay \$30,000 to Cedaredge on the treatment plant loan.  
MOTION CARRIED with no opposing votes.

Helen Hawkins presented a resume and application for full-time employment at the new office. There was no objection to Mrs. Hawkins continuing her employment with the Association and moving to full-time status in the new office.

John Hawkins presented a draft budget for 1996. After discussion, it was recommended to raise the salary budget to \$77,000 and lower legal expense projections.

MOVED BY Peterson,  
SECONDED BY McPherson to approve the draft budget for presentation to the stockholders.

Meeting adjourned at 11:00 p.m.

*John Hawkins*



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of board Meeting  
January 8, 1996

The meeting was called to order at 7:35 p.m. in the boardroom of Association headquarters by Bob Phillips. Directors present were Phillips, Hawkins, Kline, McPherson, Figueroa, Peterson, and Sammons. Also attending were Bud Perkins, Dan Hawkins, and Helen Hawkins.

MOVED BY McPherson,  
SECOND BY Kline to omit reading the minutes of the previous meeting, since all directors had received copies of the minutes by mail.  
MOTION CARRIED with no opposing votes. Chairman Phillips declared the minutes approved as mailed.

Hawkins presented monthly financial reports for November and December of 1995.

MOVED BY Kline,  
SECOND BY Figueroa to accept the financial reports.  
MOTION CARRIED With no opposing votes.

Bud Perkins presented his proposal for a minor subdivision on the west side of 2600 Road between Q Road and Q-25 Road. He owns one tap which is presently installed on the property, formerly in the name of Ted Gaynos. He is requesting a commitment from the Association for two more taps.

Hawkins questioned the space available for septic systems. He emphasized that planning for water service would need to keep all water lines at the legal separation from sewage facilities.

Peterson questioned the availability of water for fire protection. Dan Hawkins stated there is no fire hydrant in the vicinity. The nearest point where a hydrant could be installed on a 4" line would be at the intersection of Q and 2600 Roads, approximately 660 feet from the proposed development.

Dan Hawkins stated a 1-1/4" line crosses 2600 road to serve the tap presently on the property. This line would be sufficient to carry two more taps.

MOVED BY McPherson,  
SECOND BY Figueroa to inform the planning commission that two taps will be available for the Perkins Minor Subdivision for a period of one year from this date.  
MOTION CARRIED with no opposing votes.

John Hawkins reported on a possible subdivision plan by Charles Parker. It does not seem to be very organized yet, but the preliminary indication is for 10 to 12 lots located on the east side of 2550 Road one mile north of R Road, near where 2550 Road turns west toward the Lone Pine Ditch. Hawkins stated the area could be served either by construction of a new line along 2550 Road running north from the new 6" Redlands supply line, or by extending a 2" line which starts from the 4" Lone Pine line and runs east along 2550 Road to Bradshaw. Hawkins said that constructing a new line along 2550 road connecting to the Redlands line would fit in with a

probable future need for a storage tank and new line running from the high point on Cedar Mesa. This issue would need to be considered if the proposed subdivision goes ahead.

Dan Hawkins explained progress on the wall map of the system in the boardroom. He stated he intends to make the map an integral part of a radio telemetry system to be developed and installed over the next few years. Data such as tank levels, pressure readings, and flow will be measured at remote sites and transmitted back to the Association headquarters to be displayed on the wall map, as well as on a computer monitor, if desired.

John Hawkins reported on a meeting with attorney Aaron Clay at which several issues were discussed. The Proposal from Hermanos Development (Zimmerman) which called for \$48,000 dollars to be held in trust against water tap commitments was acceptable to Clay, with the provision that the \$48,000 did not secure any fixed number of taps. This is to allow for a possible future increase in tap fees. With regard to the bill from the Town of Cedaredge regarding Association share of costs related to the Dayton Myers settlement, Clay recommended paying no more than 1/5 of Mr. Myers' overtime, and only if the Board felt morally obligated. He said there was no justification for paying any part of the Town's attorney fees. Clay recommended writing a letter to Delta County Tele-Comm (DCTC) reporting the damages caused by Silicon Mountain as a first step in correcting the situation. He said it would be possible to seek an emergency restraining order to prevent any further digging around Association lines if the problem continued.

Hawkins reported that a letter had been written to Don Reynolds, manager of DCTC, and a meeting had been held with Reynolds and the managers of Silicon Mountain. There has been a significant improvement in the situation since then.

MOVED BY Kline

SECOND BY Peterson to bill DCTC for damages caused to Association facilities by Silicon Mountain.

Motion carried with no opposing votes.

Bob Phillips reported on a meeting with Ed Marah regarding treatment plant enlargement. The Town plans to install another filter module which will double the present capacity of the plant. In addition, the existing 8" common line from the plant to the Association's diversion point is to be upgraded to a larger diameter. It is intended for both projects to be undertaken this year.

Dan Hawkins expressed a desire to become a state-certified water plant operator. He stated that Dayton Myers also intends to keep his certification current. Hawkins inquired about the possibility of the Association paying for certification school in Boulder, CO in March of 1996. There was discussion, but no action. Phillips suggested Hawkins and Myers present possible benefits to the Association at a later meeting for further consideration.

Meeting adjourned at 9:15 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
February 13, 1996

Bob Phillips called the meeting to order at 7:30 p.m. in the boardroom at Association headquarters. Directors present were Phillips, Hawkins, Kline, Peterson, Sammons, McPherson, and Figueroa. Also attending were Evelyn Nichols, Bill Nichols, Melvyn James, Mark Banowetz, Dan Hawkins, and Helen Hawkins.

MOVED BY Kline

SECONDED BY McPherson to approve the minutes as mailed to the directors. John Hawkins offered an amendment to those minutes to include the fact that the previous minutes had been declared approved by Chairman Phillips without reading at the meeting. Kline amended his motion to include the alteration to the minutes.

MOTION CARRIED with no opposing votes.

Hawkins presented a financial report for January 1996.

MOVED BY Figueroa

SECONDED BY McPherson to accept the financial report.

MOTION CARRIED with no opposing votes.

Dan Hawkins stated that Mr. and Mrs. Nichols, Melvyn James, and Mark Banowetz were all present because of a situation concerning Lot 8, Farview Subdivision. Mr. and Mrs. Nichols purchased the lot from Banowetz. Melvyn James was the excavation contractor preparing the site for installation of a modular home. Dan Hawkins explained that, during a meeting in January at the building site which included Dan Hawkins, Dayton Myers, James, and Nichols, there was no discussion of a 4-inch water line which crosses the north end of Lot 8 within a utility easement, as shown on the subdivision plat. This line was not discussed until a later visit to the site by Dan Hawkins and Myers. By then, concrete was in place for the foundation, which was located partly within the utility easement.

Peterson asked if there had been a formal request to the Association for line locations, as required by law. Dan Hawkins replied there had been no formal request, but that Mrs. Nichols had asked the Association to coordinate the installation of the tap with James. Dan Hawkins said he thought the initial meeting at the building site was for that purpose. James stated he thought that all locations should have been explained at that meeting.

Mrs. Nichols stated that alterations to the foundation and site to avoid damage to the water line had cost her \$950, and asked that the Association pay that cost. Bob Phillips said he believed that the responsibility should be shared between all parties who should have known of the existence of the easement, including Nichols, Banowetz, and the Association.

Banowetz stated he accepted no fault for not informing the buyers of the easements on the lot, and would bear no part of the cost. He stated he had never seen a plat of Far View Subdivision, even though he had owned three lots within it.

Bob Phillips asked that all persons except the board of directors leave the room, and adjourned the meeting into executive session.

Upon resuming the meeting, Phillips stated the board had decided to pay the sum of \$475 to




Mr. and Mrs. Nichols.

John Hawkins reported on the progress of the land swap with Rogers. The survey has been completed and a map drawn. Attorney Aaron Clay is in the process of completing the five deeds which are necessary to complete the swap. Those should be ready for signatures in February, and will then be submitted to the County Commissioners for final approval.

Hawkins reported there is a neighborhood dispute over use of a road shared by residents of Cedar Heights and Canto Vista minor subdivisions west of R Road and 2475 Road. Some of the residents are worried that truck traffic on the soft road will damage the pipeline. One resident has apparently attempted to block the road. Dan Hawkins stated the road is not over the pipeline, but is close to it. Figueroa stated the road should legally be located 60 feet south of where it was built in order to conform to the recorded easement.


Hawkins reported the County Planning Commission had recommended denial of the Perkins Minor Subdivision. The County Commissioners have tabled consideration of the proposal, and seem to be opposed to it. Figueroa stated he believes Perkins is considering scaling back to one lot instead of the two originally proposed, or may drop the plan entirely.



Hawkins reported that Tim Dybala had recently purchased two water taps. Later, Hawkins learned of "Tim's Subdivision" proposed for the area of 2600 Road and P-37 Lane. The proposal had gone through the preliminary county planning process without the Association being notified, apparently due to a clerical error. The proposal calls for the water taps to come from the 4-inch line on the east side of 2600 road.


MOVED BY Figueroa,  
SECOND BY Kline to approve serving Tim's Subdivision through the two taps already purchased by Dybala.  
MOTION CARRIED with no opposing votes.

Hawkins reported he had heard rumors of a planned minor subdivision on Redlands Mesa. He inquired of the County Planning Department, and was informed of the proposed "S&S Subdivision" to be located 1/4 mile north of N Road and 1/4 mile west of 2900 Road. The Planning Department had been convinced by the developer that there was no domestic water available in the area, and that wells would be used. Hawkins informed the Planning Department that the Association has main lines along 2900 Road and N Road which could serve the development. He prepared a map of the Association service area for the Planning Department to prevent future misinformation. There have been no inquiries to the Association from the developer yet.



Dan Hawkins reported that the Association is now serving as an official observer for the National Weather Service. The NWS has installed an automatic recording rain gauge, a standard rain gauge, and maximum-minimum recording thermometers at Association headquarters. Association personnel record daily readings and compile monthly reports for the Grand Junction office of the NWS.

Jerry Figueroa reported on his tentative plan to construct a concrete ditch along the north side of Q road east of the intersection with 2600 Road. The proposed route would follow an existing dirt ditch which runs along the bottom of a field owned by Charles Barnes. The existing ditch is on top of



a 2-1/2" Association pipeline, which is quite shallow. In order for the concrete ditch to follow the existing ditch route, the pipeline would have to be moved, or the concrete ditch moved further north into the field to avoid the pipeline. Figueroa stated he has not decided whether to pursue the project at this point.

Peterson asked if Dan Hawkins and Dayton Myers still wished to have the Association pay for their attendance at Water System Operators School. Hawkins replied that he and Myers intended to self-study and take the certification examinations in Montrose April 6 at no cost to the Association.

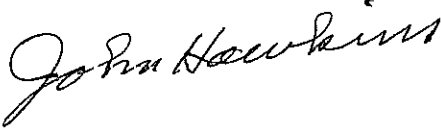
Figueroa asked if there was currently any type of health care coverage provide for Association employees. He was informed there is not.

MOVED BY Figueroa

SECOND BY McPherson to investigate a health insurance plan for Association employees.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:30 p.m.



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
March 11, 1996

The meeting was called to order by Bob Phillips at 7:30 p.m. in the boardroom of Association Headquarters. Directors present were Phillips, Hawkins, McPherson, Kline, and Figueroa. Also attending were Dan Hawkins, Chris Shaw, and Helen Hawkins.

MOVED BY McPherson,  
SECOND BY Figueroa to approve the written minutes as mailed to directors before the meeting.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for February, 1996.

MOVED BY Kline,  
SECOND BY Figueroa to accept the financial report.  
MOTION CARRIED with no opposing votes.

John Hawkins reported that the County Commissioners had given final approval to the boundary adjustment between the Association and Alan and Brenda Rogers earlier on the day of the meeting.

Dan Hawkins introduced Chris Shaw and reported on a site inspection he had conducted with her at the proposed S&S Minor Subdivision on Redlands Mesa. The parcel is located approximately 1/4 mile north of N Road, and approximately 1/4 mile west of 2900 Road. Main water lines are located along both of these roads. Hawkins and Shaw agreed that the most practical route for a water line to the development would be north from N road. There is an easement through other property which is intended for road and utilities. Shaw stated she would be needing two taps, although there will be three lots created by the subdivision. The third lot is already occupied by a house which is served by a well.

MOVED BY McPherson,  
SECOND BY Figueroa to provide two taps for the S&S Minor Subdivision. Also to provide 2" PVC pipe for the water line extension to reach the property, provided the developer pays for excavation and installation, and agrees to purchase the second tap within one year of the purchase of the first tap.  
MOTION CARRIED with no opposing votes.

John Hawkins reported on controversy over the access road shared by Cedar Heights and Canto Vista I minor subdivisions. The road is of substandard quality and is not in the designated easement. It is located partially on USCDWUA easement and partially on DMEA easement. Several parties have expressed displeasure with the condition and location of the road. John and Dan Hawkins went before the County Commissioners on the day of the board meeting to protest the use of Association easement for a roadway. A representative from DMEA was also there with a similar complaint, as well as two residents of Canto Vista I. The Commissioners agreed to write a letter to Zimmermann and Vandenberg, the developers of the two subdivisions, requiring the road to be moved into its proper location.



John Hawkins gave brief reports on other pending subdivision activity within the system as follows:  
Dybala - Hawkins has requested that the plat be corrected to include easement for the 2" line along the north side of P37 Lane.

Perkins - No new activity.

Mikel - Don Mikel has stated his intention to buy a tap for a parcel of land he created through a minor subdivision at the west end of P25 lane on Redlands Mesa.

McMillan - Dan Hawkins reported that Bernard McMillan is considering dividing some property which borders the southwest side of Parkwood Subdivision, located on the west side of 2425 Drive about 1/4 mile north of R Road. He has inquired about the possibility of serving the property from the Parkwood line, and was told that would be feasible, provided easement into Parkwood could be obtained by McMillan.

Dan Hawkins reported he had contacted the Utility Notification Center of Colorado (UNCC) and obtained details of the organization. UNCC is the one-call clearinghouse for buried facilities within the state. It was created by state law, and all utilities are required to become members. Hawkins explained that there are two tiers of membership, of which tier #1 offers the more complete notification service, but requires a fax machine.

MOVED BY Figueroa,

SECOND BY McPherson to join UNCC as a tier #1 member and look into the purchase of a plain paper fax or fax/copier.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 8:55 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
March 11, 1996

The meeting was called to order by Bob Phillips at 7:30 p.m. in the boardroom of Association Headquarters. Directors present were Phillips, Hawkins, McPherson, Kline, and Figueroa. Also attending were Dan Hawkins, Chris Shaw, and Helen Hawkins.

MOVED BY McPherson,  
SECOND BY Figueroa to approve the written minutes as mailed to directors before the meeting.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for February, 1996.

MOVED BY Kline,  
SECOND BY Figueroa to accept the financial report.  
MOTION CARRIED with no opposing votes.

John Hawkins reported that the County Commissioners had given final approval to the boundary adjustment between the Association and Alan and Brenda Rogers earlier on the day of the meeting.

Dan Hawkins introduced Chris Shaw and reported on a site inspection he had conducted with her at the proposed S&S Minor Subdivision on Redlands Mesa. The parcel is located approximately 1/4 mile north of N Road, and approximately 1/4 mile west of 2900 Road. Main water lines are located along both of these roads. Hawkins and Shaw agreed that the most practical route for a water line to the development would be north from N road. There is an easement through other property which is intended for road and utilities. Shaw stated she would be needing two taps, although there will be three lots created by the subdivision. The third lot is already occupied by a house which is served by a well.

MOVED BY McPherson,  
SECOND BY Figueroa to provide two taps for the S&S Minor Subdivision. Also to provide 2" PVC pipe for the water line extension to reach the property, provided the developer pays for excavation and installation, and agrees to purchase the second tap within one year of the purchase of the first tap. MOTION CARRIED with no opposing votes.

John Hawkins reported on controversy over the access road shared by Cedar Heights and Canto Vista I minor subdivisions. The road is of substandard quality and is not in the designated easement. It is located partially on USCDWUA easement and partially on DMEA easement. Several parties have expressed displeasure with the condition and location of the road. John and Dan Hawkins went before the County Commissioners on the day of the board meeting to protest the use of Association easement for a roadway. A representative from DMEA was also

there with a similar complaint, as well as two residents of Canto Vista I. The Commissioners agreed to write a letter to Zimmermann and Vandenberg, the developers of the two subdivisions, requiring the road to be moved into its proper location.

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MOVED BY Figueroa,

SECOND BY McPherson to join UNCC as a tier #1 member and look into the purchase of a plain paper fax or fax/copier.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 8:55 p.m.

*John Hawkins*

UPPER SURFACE CREEK DOMESTIC WATER USERS ASSOCIATION  
MINUTES OF BOARD MEETING, MAY 13, 1996  
AT ASSOCIATION BUILDING, 1717 MEADOW DRIVE, CEDAR MESA

The meeting was called to order by Chairman Phillips at 7:30 p.m. Board members present were Phillips, Figueroa, McPherson, Kline, Peterson, Sammons and Hawkins.

Minutes of the last board meeting were approved as presented.

The April financial report was distributed, discussed and approved on a motion by McPherson, and second by Figueroa.

Jerry Figueroa stated he had been approached by Bud Burgess concerning what appeared to be inconsistencies in his water bills. No action was taken, pending review of his billing.

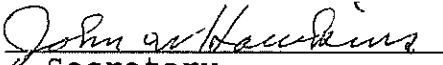
Kelly Peterson stated he had visited with John Loring from the Cedaredge Town Council and learned that the Town had firmed up an agreement with LeRoy Black to do the required engineering for the new treatment plant for a fee of a little over \$10,000.00 for the treatment plant only.

John Hawkins reported that Dan had met with Ed Marah at our diversion from the common line to review the scheme of the diversion and see how it would fit in with the new pipe line. They had also discussed the potential for pressurizing the new section of line making that community between the treatment plant and our diversion available for service, and whose service area that would be. There was some discussion by the Board on this matter without any real feelings being expressed.

Stan Sammons reported on research he had done on interest rates. It appears that there may be some interest rate benefit by investing in different programs in remote institutions; however, the inconvenience of the remoteness would probably offset any benefits.

There was no new subdivision activity to report.

The meeting adjourned at 9:00 p.m.

  
Secretary

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UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
June 10, 1996

Bob Phillips called the meeting to order at 7:40 p.m. in the board room at Association Headquarters, 1717 Meadow Drive, Cedar Mesa. Directors present were Phillips, Hawkins, McPherson, Kline, Figueroa, Peterson, and Sammons. Also attending were Jerry Hileman, Bud Burgess, Helen Hawkins, and Dan Hawkins.

MOVED BY Kline,  
SECOND BY Peterson to dispense with reading minutes and approve the written minutes which were previously mailed to the directors.  
MOTION CARRIED with no opposing votes.

John Hawkins presented the financial report for May 1996.

MOVED BY McPherson,  
SECOND BY Kline to accept the financial report.

MOTION CARRIED with no opposing votes.

Dan Hawkins introduced Jerry Hileman, who was present to protest a high water bill. Hawkins said that Mr. Hileman had suffered a line break on his side of the meter, and that in such cases, it is not unusual to grant some relief on the bill, depending on circumstances. Hawkins said he was reluctant to do so in this case, because of the magnitude of the bill and because a nearly identical situation had occurred at the Hileman tap in August of 1995, for which a significant adjustment was granted.

Mr. Hileman was invited to address the Board. He explained that, while he was away from the home on vacation, a part of his household or yard plumbing broke and resulted in several days of continuous leakage. He felt that the 152,850 gallons registered by the meter did not reflect his usual consumption, and was accidental.

Dan Hawkins agreed that such high usage was not typical of the Hileman tap, although the tap does run significantly more water than the system average. Jerry Figueroa asked that the board and staff be allowed to discuss the situation without Mr. Hileman present. Jerry Hileman and Bud Burgess agreed to leave the meeting temporarily.

There was considerable discussion of the matter. Some felt that Mr. Hileman should have learned to be more conscious of the potential for trouble after having a similar situation last year. Others pointed out the need for the Association to be lenient with members where possible. Generally, it was agreed to award Mr. Hileman some relief on his bill, with the discussion focusing on how much.

MOVED BY McPherson,  
SECOND BY Figueroa to cut Mr. Hileman's May 1996 water bill from \$1188.00 to

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\$594.00.

MOTION CARRIED with three directors voting aye, three directors voting nay. Chairman Phillips cast the deciding aye vote.

Mr. Hileman and Mr. Burgess returned to the meeting and Mr. Hileman was advised of the Board action. He stated he still believed the amount was too high, but accepted the Board's decision and left the meeting.

Bud Burgess was invited to address the Board. He stated that his water bills were inconsistent between 1995 and 1996 for similar amounts of water used. He stated he had received a letter from Dan Hawkins explaining that he had been removed from a certain special rate status in 1996, resulting in higher bills. Burgess said he believed that such action should have been the responsibility of the Board, and not of the people in charge of billing.

Dan Hawkins explained that Mr. Burgess was still being granted a special rate for essential agricultural use, since he uses a significant amount of water for livestock. The billing calculations which had been applied to Burgess's two taps prior to 1996 treated them as if they were two taps running through one meter, rather than two separately installed taps, which they actually are. Dan Hawkins presented the Board with a chart outlining the amount which would be charged for the 76,260 gallons used in May under three possible rate structures. The charges would be: \$437.60 for no special rate, \$237.54 for essential agricultural rate, and \$95.02 for agricultural rate plus two taps running through one meter.

John Hawkins said he felt that any consideration for two taps delivered through a single meter should be reserved for cases that are actually that, not two individually installed taps.

Kelly Peterson asked if Burgess could achieve the same result by connecting his two taps downstream of the meters. Jerry Figueroa expressed support for the concept of supporting agriculture through rate flexibility.

Bud Burgess said the Association was set up by and for farmers and it was the intent of the founders to provide cheap agricultural water. Bob Phillips said he doubted if that was the sole purpose for the Association.

John Hawkins replied that there was nothing in the by-laws or articles of incorporation authorizing special consideration for any class of water users. In fact, he said the by-laws specifically state that all members have the same rights and status.

Herman Kline said that the majority of Association members would not support the concept of a separate rate structure for different types of water use. Bud Burgess recommended setting up a committee of members to study the water rates and determine if that is true.

MOVED BY Peterson,

SECOND BY McPherson to bill Bud Burgess as if two taps are delivering water through a single meter. The rate would apply only through fiscal 1996, and would be made retroactive to the beginning of 1996.

MOTION CARRIED, with three directors voting aye, three voting nay. Chairman Phillips cast the deciding aye vote.

John Hawkins presented a subdivision report. There is a proposed minor subdivision by Rock Kiem along the Lone Pine Ditch. There are presently two water taps installed for the two lots proposed, so there will probably be no further request for water.



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A sketch plan was received for "Serrento Heights," located northwest of the intersection of Q-50 and 2475 Road on Cedar Mesa. Hawkins said there was insufficient information on the plan for the Association to draw any conclusions, and he had returned it to the Planning Commission with that comment.

Kelly Peterson and Dan Hawkins reported that they had attended a brief meeting with Cedaredge Mayor David Watson the day of the board meeting to seek information on the treatment plant expansion and common line upgrade. Watson had said the application to the Colorado Department of Health had been completed by Leroy Black of Ute Engineering, who has been hired by the Town of Cedaredge to engineer the filter plant enlargement. It is not known if the application has been submitted to the State yet.

It is known that part of the requirement from State would be a tank of at least 87,000 gallon capacity installed at the outlet of the new treatment plant. Its purpose would be to retain chlorinated water for a period of time adequate for disinfection before release into the distribution system. The Town is considering building a larger tank than that in order to get storage capacity. The exact size and cost are yet to be determined. It appears the cost of the tank could approach two hundred thousand dollars. Cost of the common line enlargement is expected to approach one hundred forty thousand dollars.

John Hawkins noted that the estimated cost of the treatment plant project has escalated significantly since early discussions. Dan Hawkins pointed out that the proposed new storage tank would not improve disinfection of the Association portion of the water, because our own tank provides more than adequate chlorine contact time.

A concern was expressed that Cedaredge may not be ready to order 12" steel pipe in order to meet an upcoming manufacturing run scheduled for mid-July. Discussion followed as to the advisability of accomplishing the common line upgrade this year even if the treatment plant expansion is held up due to delays in the permitting process.

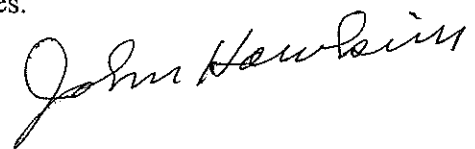
John Hawkins suggested that a way to regain some of the funds spent on the new tank would be to take over the territory along the new 12" common line and possibly make some tap sales.

MOVED BY McPherson,

SECOND BY Figueroa to authorize Dan Hawkins and Kelly Peterson to work with Cedaredge to encourage speedy construction of the common line upgrade; also to negotiate the acquisition of the territory served by the new common line.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:30 p.m.



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UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
July 8, 1996

Bob Phillips called the meeting to order in the boardroom of Association headquarters at 7:35 p.m. Directors present were Phillips, Hawkins, Kline, McPherson, Peterson, Sammons, and Figueroa. Also attending were Tony Sarver, Gerrie Wolf, Dennis Wolf, Dan Hawkins, Helen Hawkins, and, representing the Town of Cedaredge: David Watson, John Loring, Merle Lynch, and Tom Cooper.

MOVED BY Kline,  
SECOND BY Figueroa to dispense with reading minutes, and to approve the printed minutes as mailed to the directors prior to the meeting.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for June, 1996.  
MOVED BY McPherson,  
SECOND BY Sammons to accept the financial report.  
MOTION CARRIED with no opposing votes.

Gerrie Wolf was invited to address the Board. She said that her family is planning to purchase three water taps in the near future. They will all be served by the 2" line running east from Currant Creek. She said she is aware that the west end of that line is connected to 1" galvanized pipe, and is concerned that the line may have to be upgraded to adequately serve three new taps.

Dan Hawkins said he believes there is approximately 1/4 mile of 1" pipe which would have to be replaced if service is not adequate.

MOVED BY McPherson,  
SECOND BY Peterson to approve the application for three taps, and plan to replace the section of 1" pipe as soon as practical.  
MOTION CARRIED with no opposing votes.

Tony Sarver was invited to address the Board. He said he represented the Jack Zimmermann's Serrento Heights proposed development. Zimmermann wishes to develop the property in two phases, and buy water taps for each phase separately. There will be a total of 15 taps required for the subdivision. Phase 1 would include seven taps plus construction of a pipeline off 2475 Road through the subdivision.

MOVED BY Figueroa,  
SECOND BY Hawkins to approve the sale of seven taps for phase 1 of Serrento Heights, with the understanding that the main pipeline through the subdivision would be constructed in phase 1.  
MOTION CARRIED with no opposing votes.

Hawkins reported on a conversation with a developer who was interested in the "Hog Farm" property, which lies southwest of Redlands Mesa straddling Highway 92. The developer plans to divide more than 2000 acres into parcels, requiring 50 taps. Hawkins had invited the developer to attend the meeting. He was not present; no action was taken.

Phillips invited the representatives from the Town of Cedaredge to address the Board. Merle Lynch said he was concerned about the escalating cost of the proposed filter plant expansion, which has been estimated by the Town's engineer to be \$1,200,000. He was in favor of seeking grant monies. Dave Watson said he had been investigating grant possibilities.

There was much discussion among the Board and the Cedaredge representatives about the expansion project. Most seemed to favor phasing the project to spread the cost over two years. There was discussion of ways to reduce cost. A re-evaluation of the new plant site was suggested. Dan Hawkins phoned Leroy Black, the Town engineer for the project and asked if he could meet for a site evaluation. It was agreed to meet at the filter plant July 9. Dan Hawkins, Kelly Peterson, John Hawkins, John Loring, and Tom Cooper agreed to attend.

It was generally agreed that Upper Surface Creek would assume responsibility for pressurizing the proposed new 12" line from the USC diversion back up the proposed new storage tank to be located near the filter plant. It was also generally agreed that USC would assume that area as part of our service territory. All parties recognized that further work needs to be done in determining how to handle transfer of those Town taps already on that line.

Both Town and USC people expressed enthusiasm that the entities are working together, and hope for continued cooperation. The Cedaredge group then left the meeting.

John Hawkins reported that Brad Kohlman, the County Attorney, is preparing a document petitioning the Court to force Jan Vandenberg to place the R Lane access road into the correct easement and remove it from the USC and DMEA easements. The document will be presented to all concerned parties for review before petitioning the Court.

Hawkins said Herman Oswald's Redwing minor subdivision would be coming before the County this week. The Association's comments on the proposed split stipulated a pipeline right-of-way along the west boundary. Hawkins asked the board if we should continue with that demand. The consensus was to keep the request for easement as part of our comments to the County.

Also coming before the County this week is a minor split by Ashley Houser. His property lies north of the Association storage tank. Hawkins had informed the County that USC would be able to grant an additional tap for the property Houser wishes to split as soon as the new 12" common line upgrade is complete. Dan Hawkins said Houser is thinking of moving one of his existing taps to the new property. There was discussion of the position of the by-laws regarding such a transfer. General consensus was that the move would be permitted, but no action was taken.

John Hawkins said that a proposed ballot initiative this fall could cause entities such as USC to lose property tax exemption. It is possible this could lead to an annual tax bill of \$30,000. Figueroa suggested informing our shareholders of the initiative and its possible consequences. It was generally agreed to use the monthly newsletter for this.

Dan Hawkins presented quotations and coverage details for Rocky Mountain HMO group insurance for USC employees. It was generally agreed that the premiums represented a significant increase in expense, which ought to have stockholder input. Jerry Figueroa was appointed to work with the staff to prepare a proposal for the annual stockholders meeting this year.

Meeting adjourned at 11:15 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
August 12, 1996

Bob Phillips called the meeting to order at 7:35 p.m. in the boardroom of Association headquarters, 1717 Co. Dr. 2535, Cedar Mesa. Directors present were Phillips, Kline, Hawkins, McPherson, Figueroa, Peterson, and Sammons. Also attending were Herman Oswald, Art Remsbecher, Helen Hawkins, and Dan Hawkins.

MOVED BY McPherson,  
SECOND BY Kline to approve the minutes as printed and mailed to directors, and dispense with reading of minutes.  
MOTION CARRIED with no opposing votes.

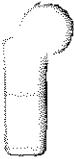
John Hawkins presented a financial report for July 1996.

MOVED BY Kline  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Herman Oswald was invited to address the Board. He said he was concerned about the condition being placed upon his minor subdivision by Delta County which requires a water line easement for USCDWUA along the west side of his property. He said he suspects its purpose is to serve a proposed 15 to 20-lot subdivision on the south side of Q Road. Bob Phillips said the Board has no knowledge of such a plan. John Hawkins said the purpose of such a future line would be to grid the system together in the area. Oswald said the previous agreement to supply a tap for his subdivision, contingent upon the easement, has expired.

MOVED BY McPherson,  
SECOND BY Hawkins to extend the agreement with Herman Oswald to provide a water tap for Redwing Minor Subdivision for a period of one year from this date.  
MOTION CARRIED with no opposing votes.

Art Remsbecher presented his plan for a four-lot subdivision on the south side of Q Road approximately 1/4 mile east of 2600 Road. Delta County will require him to have a commitment from the Association for four taps. Each lot will be 10 acres in size. There was discussion of ability to serve. Dan Hawkins said there is a 2-1/2 inch line along the north side of Q Road. Presently, that line serves 10 taps, and could serve three times that many. John Hawkins asked Mr. Remsbecher if he would grant the Association an easement for water line completely through his property from Q Road to his south boundary. The purpose would be for future connection with the 2-inch line along P37 Lane. Remsbecher agreed to grant the easement.



MOVED BY McPherson,


SECOND BY Figueroa to commit four taps for a period of one year from this date, with stipulation that an easement for USCDWUA to the south side of the property be included in the subdivision plan.

MOTION CARRIED with no opposing votes.

John Hawkins reported on two minor subdivisions which the Association has been asked to comment on. One is Johnson-Giller on the north side of O Road between 2800 and 2900 Road. The other is Gleason-Knapple, at 2500 and Q-50 Roads. Neither split appears to need a water tap at this time.

Dan Hawkins reported on correspondence with Eric Heschong of California concerning property along 2500 Drive north of U-50 Road. Mr. Heschong has purchased a 35-acre parcel which includes an Association 6-inch main pipeline. Heschong has asked to use the pipeline right-of-way for a driveway access. He has submitted a sketch plan and photographs with computer enhancement to depict the appearance of the finished driveway, including a masonry bridge across Milk Creek.

MOVED BY Figueroa,




SECOND BY Kline to write Eric Heschong to inform him that his road must keep 15 feet away from the pipeline, leaving the Association 30-foot easement clear, and that a road crossing the pipeline must be done to Association specs, and that the Association must be consulted about the details of the Milk Creek crossing to avoid any impact on the pipeline crossing there.

MOTION CARRIED with no opposing votes.

Dan Hawkins reported on the new treatment plant/tank/pipeline project. Cedaredge has awarded the bid for pipeline construction on the 12" common line segment to Bob Brewer. Construction is scheduled to start September 1, and be completed by October 1, 1996. Bids have been solicited for the one-million-gallon tank, and are scheduled to be opened August 15. The Town voted to place the treatment plant building on the south side of the present building. Several USCDWUA board members and staff have expressed reservations about that plan, due to the massive amount of fill required to make a building site.

Dan Hawkins reported on a work session held with the Town Council at Association Headquarters August 8. Several issues were discussed at that session. An agreement was reached for sharing costs of the Association diversion box to be constructed on the new common line. The Association will pay for all components directly concerned with delivery of our water. The Town will pay for all components directly concerned with delivery of their water. Cost of the box itself, and any components considered common to both entities, will be shared 50-50.



John Hawkins reported that the work session also discussed transfer of taps from Cedaredge to USCDWUA. There are 6 taps which will be served by the new 12" common line north of the Association diversion, and about 9 more which are presently connected to the Association line but owned by Cedaredge. Hawkins said a tentative agreement had been



reached which would allow the Association to obtain a greater share of the common system in return for accepting those taps. The Town had asked for a formal proposal for their consideration. Hawkins presented the Association Board with a draft proposal, which asks for an additional 5% of the common system in return for the Association accepting 15 taps.

Wayne McPherson objected to the cost which would be incurred by the Association because of the current expansion project. The Association would be paying 25% instead of 20% as we are now. Stan Sammons pointed out that, if the Association had been collecting revenue from those taps, we would have obtained that much money by now. Several directors expressed reservations about the willingness of current Association shareholders to accept the idea that others could obtain stock without paying the usual membership fee. Bob Phillips said that for that reason, he would want ratification of the agreement by the members.

MOVED BY Sammons,

SECOND BY Peterson to present a proposal to the Town of Cedaredge whereby USCDWUA accepts ownership of the taps in question, and becomes 25% owner in the common system, subject to approval by the general membership at the 1996 annual stockholders meeting.

MOTION CARRIED with no opposing votes.

John Hawkins reported that County Attorney Brad Kohlman has prepared a complaint for District Court asking that Jan Vandenberg adhere to the specified easement for R Lane in her Cedar Heights subdivision. The complaint has been distributed to interested parties for review, and will eventually be given a court date, if the situation is not settled meanwhile.

John Hawkins said he may need to cash one or more Certificates of Deposit to have cash available for construction this fall. It was generally agreed to leave cashing the CD to the discretion the Secretary-Treasurer.

Meeting adjourned at 9:30 p.m.

*John W. Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
September 9, 1996

Bob Phillips called the meeting to order at 7:35 p.m. in the boardroom of Association headquarters, 1717 2535 Drive, Cedar Mesa.

Directors present were Phillips, Hawkins, Kline, Sammons, Figueroa, McPherson, and Peterson. Also attending were Dan Hawkins and Helen Hawkins.

Dan Hawkins pointed out two typographical errors in the printed minutes which were mailed prior to the meeting.

MOVED BY Kline,  
SECOND BY Figueroa to approve the written minutes as mailed with the two corrections suggested by Dan Hawkins.  
MOTION CARRIED With no opposing votes.

John Hawkins distributed a financial report for August 1996.

MOVED BY Figueroa,  
SECOND BY Sammons to accept the financial report.  
MOTION CARRIED with no opposing votes.

John Hawkins reported he had received a request for a water tap on the upper end of Redlands Mesa which would be served from the 10,000 gallon tank. For the past two years, a moratorium has been in effect on new taps in that area, due to previous difficulties in keeping the storage tank full. He recommended the Board reconsider the moratorium, based on two years experience operating the system with both the Hoot Owl Valley and new Redlands supply line in service.

Dan Hawkins reported on research on the performance of the upper Redlands system this summer. He said meters had been installed to monitor the amount of water supplied to that area in excess of demand. It was found that more than twice as much water is being delivered to the 10,000 gallon tank as is being used by the taps there. Hawkins recommended that plans be made to increase the storage capacity there, in order to take advantage of the improved delivery. He recommended that the 50,000 gallon tank on Cedar Mesa at Association headquarters be reconditioned and moved to Redlands Mesa, since that tank is no longer necessary on Cedar Mesa, and has been taken out of service.

MOVED BY Figueroa,  
SECOND BY Peterson to lift the moratorium on tap sales for upper Redlands Mesa, based on improved delivery to the area, and continued monitoring of service there.  
MOTION CARRIED with no opposing votes.

Bob Phillips recommended that the shareholders be informed of the decision to lift the moratorium via the monthly newsletter. He also asked that a cost study be done for reconditioning and moving the Cedar Mesa tank to Redlands.

Dan Hawkins reported on construction on the filter plant and common line projects. Bob Brewer Construction has started today on the common line. The diversion box is approximately half completed, with many of the major components installed. Pioneer Construction is working at the filter plant and new tank site. No fill has been placed for the new building yet.

Dan Hawkins presented a water use report for August showing 9.9 million gallons used in the month.

John Hawkins presented a summary of raw water used and available. To date, 12.43 cfs of stored water have been drawn by the Association. Hawkins estimates that 20 cfs more will be required to finish the year, for a total 1996 draw of 32.43 cfs. The total stored water owned by the Association is 88.6 cfs. There was discussion of whether to rent the excess stored water. General consensus was to hold on to the water in case of unforeseen need.

John Hawkins reported that attorney Aaron Clay had withdrawn from representing the Association in the case of the Vandenberg-R Lane controversy, due to conflict of interest. Hawkins has talked with Larry Ziegler, a Cedaredge attorney, who has agreed to represent the Association if the case goes to court. The change of attorney has delayed filing the case with District Court; there is not a clear court date yet.

Hawkins reported that he had learned, during discussion with Aaron Clay, that it would be legally possible for the Association to take over taps presently served by Cedaredge even if the present owners of those taps are not agreeable.

John Hawkins reported that a new schedule of charges by the Western Community Bank in Cedaredge are making it expensive to do business there. He suggested that an interest-bearing checking account might be started to offset some of the new charges. There was general consensus to allow the Secretary-Treasurer discretion in dealing with the increased charges, even to change banks if desired.

Dan Hawkins reported that Herman Oswald wishes to negotiate the width of a pipeline easement on his property, which is involved in minor subdivision process. It was generally agreed that 25 feet would be the minimum useable easement.

Meeting adjourned at 10:30 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
October 14, 1996

Bob Phillips called the meeting to order at 7:40 p.m. in the boardroom of Association headquarters, 1717 2535 Road, Cedar Mesa.

Directors present were Phillips, Hawkins, Kline, Sammons, Figueroa, McPherson, and Peterson. Also attending were Dan Hawkins, Helen Hawkins, Tom Dybala, and Don Dybala.

MOVED BY Kline,

SECOND BY Sammons to approve the written minutes as previously mailed, and dispense with reading the minutes.

MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for September, 1996.

MOVED BY Mcpherson,

SECOND BY Kline to accept the financial report.

MOTION CARRIED with no opposing votes.

Figueroa reported that Maxine Peebler, who lives at 2602 R Road had asked him to check into the reason for her September water bill, which was higher than she expected. Dan Hawkins said the meter readings had been verified, and there appeared to be no leak to account for the high water use. Helen Hawkins said the main reason for the sharp increase in Peebler's bill was because the number of gallons used had placed her in a higher bracket on the rate schedule.

Helen Hawkins said she had requested that Ellen Thewliss be placed on the agenda for consideration of her September water bill in the same context with Peebler. Thewliss had unexplained high water use in September while she was away from home for the month. Thewliss had paid the bill without complaint, however. The board generally agreed to take no action on either Thewliss or Peebler, and allow the bills to stand.

Don Dybala stated that he was presently living in a separate mobile home adjacent to his father, Tom Dybala, at 2531 Q Road. Don Dybala's home is served by water connected to Tom Dybala's water line. John Hawkins had informed him that Association by-laws require a separate tap for each household to be served by the Association. Don Dybala said he was willing to purchase a tap, but felt the Dybala family was owed special consideration because they had built approximately 1/4 mile of 4" pipeline in 1974 in order to serve the Tom Dybala tap. Further discussion revealed that the Association had provided the 4" pipe, and charged the cost of 1" pipe, splitting the bill 50-50 between Dybala and Art Ramsey, who purchased a tap in the same area. The cost of installing the pipe was presumably split between Dybala and Ramsey. The total expenditure by Dybala was estimated to have been approximately \$750.

Bob Phillips asked that Tom and Don Dybala leave the room and allow the Board to consider the matter in executive session. When the regular meeting resumed, Phillips informed Don Dybala that he would be required to purchase a tap at the full price currently in effect. Dybala asked if that tap could be moved to another location in the future. Phillips replied that the Board would consider that request at the time it is made.

John Hawkins reported that Cloyd Wall, who lives about 1/8 mile east of Dybala, has a similar situation. A second mobile home has been installed behind the Wall home, and is being served water by connecting into the Wall line. Hawkins said Wall has been informed of Association requirements, and was invited to this meeting, but has not arrived. Hawkins said Wall initially stated he would remove the second home rather than purchase a tap.

MOVED BY Hawkins,

SECOND BY McPherson to inform Wall in writing that the second home must be disconnected from the Association water system, or a new tap must be purchased. Failing either of these steps, water service to the Wall tap will be shut off.

MOTION CARRIED with no opposing votes.

John Hawkins reported on negotiations with Jan Lloyd, who is working on a minor subdivision called CKS, located in the southwest corner of the intersection of 2375 Road and T Lane. This is a part of the undefined service territory overlapped by USCDWUA, Town of Cedaredge, and Chinn Water Co. Mrs. Lloyd has already obtained a tap from Chinn to serve the southernmost lot of CKS, and has a commitment on a second Chinn tap to serve the middle lot. She has requested consideration of two taps from USCDWUA, one for the north lot, and one for the middle, thinking she may be able to release Chinn from their commitment to the middle lot.

Dan Hawkins has written a letter to Mrs. Lloyd offering to trade two taps plus a pipeline extension for two shares of Youngs Creek Reservoir water owned by her, which she plans to sell with the subdivision lots. The Youngs Creek shares would yield 10 second feet on the average. Mrs. Lloyd has rejected that arrangement, and has stated she will sell no water separate from the land.

John Hawkins said he has spoken with Orchard City, Chinn, and Cedaredge, and none of them have any objection to USCDWUA providing water in that area. Hawkins also said that Cedaredge would consider transferring three of their taps along T Lane to the Association as part of the pending negotiations over territory. The nearest Association pipeline is at the east end of T Lane, near Surface Creek. Approximately 500 feet of line would need to be built along T Lane to reach the CKS subdivision, and another 300 feet to reach the furthest Cedaredge tap, if it were to be transferred.

MOVED BY Peterson,

SECOND BY McPherson to provide Jan Lloyd with up to two taps, and to extend the Association pipeline west along T Lane to her property.

MOTION CARRIED with no opposing votes.

Dan Hawkins reported on a meeting and tour of the common system upgrade which occurred on September 24. Participants included some of the Cedaredge Trustees and employees, Norm Case from Filter Tech, Leroy Black from Ute Engineering, John and Dan Hawkins, and Dayton Myers. The tour began at Cedaredge Town Hall, where Leroy Black gave a briefing on the progress of the new tank and filter plant site preparation. Norm Case answered questions about the filter plant, which is scheduled to be delivered to Cedaredge in November, 1996.

During the meeting, Cedaredge mayor Dave Watson stated the plan is to build the concrete floor of the new filter plant, then deliver the filter modules onto the floor for storage until construction can resume in spring of 1996. He also reported that Doughty Steel expects to begin erecting the water tank October 15, and complete the job this fall, except for painting, which will be postponed until spring of 1997.

From the town hall meeting, the group went to the Cedaredge storage tanks, the USCDWUA diversion box, and the filter plant site.

Dan Hawkins reported that work on the new diversion box is nearly finished, and that Brewer Construction is essentially finished with the new 12" common line. Pioneer Construction is doing the site preparation for the new tank and filter plant.

There was considerable discussion of the ongoing idea to take over an additional percentage of the common system from Cedaredge. Several questions were brought up about the costs versus benefits to the Association. There was general agreement to arrange a work session with the Cedaredge trustees before or during the next board meeting.

Dan Hawkins presented a system usage report for September which showed a total of 6 million gallons used, for an average use of 9,000 gallons per active tap. He reported that there had been some questions from users about water quality. He said these probably resulted from some off taste and odor experienced this summer, coupled with legal notices in the Mountain Valley News announcing minor violations of the Colorado Primary Drinking Water Regulations. He said the editor of the Mountain Valley News had taken a water sample from the home of a USCDWUA member who had complained of illness, and had it tested by the State Health Department. The editor had provided USCDWUA with the results of that test, which showed the water to be safe for drinking.

Hawkins then said that recent construction on the common line had disturbed the existing line which is in the same right-of-way, possibly resulting in brief episodes of contamination by dirt or material dislodged from the inside of the old line. He said residual chlorine levels are regularly monitored in the USCDWUA system, and the main storage tank is treated with bleach as necessary to maintain adequate chlorination.

John Hawkins reported that Bob Lowe, who lives along the common line between the filter plant and the USCDWUA diversion, has requested help resolving a bill received from Cedaredge. The bill was for work done to restore water service to his house after it was disrupted during construction of the new common line. General consensus was to allow staff to use their own discretion in dealing with this matter.

John Hawkins informed the Board that the Marshall Subdivision was coming before the County Planning Commission again October 15. The proposal has been changed from an airpark, and is now just a subdivision.

John Hawkins suggested that the Association might look into obtaining some water becoming available due to reservoir rehabilitation which is being undertaken on Grand Mesa. Approximately 300 second feet of junior decree water is expected to be available.

Meeting adjourned at 11:20 p.m.

*John Hawkins*



UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
Minutes of Board Meeting  
November 11, 1996

Bob Phillips called the meeting to order at 6:30 p.m. in the boardroom of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Phillips, Hawkins, Kline, Figueroa, McPherson, Sammons, and Peterson. Also attending were Aaron Clay, Dan Hawkins, and Helen Hawkins.

MOVED BY McPherson,  
SECOND BY Kline to approve the written minutes as mailed to directors prior to the meeting, and dispense with reading the minutes.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for October, 1996. Bob Phillips questioned a disbursement to the Philatelic Fulfillment Center. It was explained that this is the name for a department of the U.S. Postal Service where stamped postcards are ordered.

MOVED BY McPherson,  
SECOND BY Kline to accept the financial report.  
MOTION CARRIED with no opposing votes.

John Hawkins reported on the status of the Tom Dybala and Cloyd Wall taps, which had been discussed at the previous board meeting. Both taps appear to be serving more than one household each, in violation of Association by-laws. Dybala is taking steps to purchase a second tap. Wall has stated he will disconnect the second mobile home from his water system, but will leave the home in place, apparently to be served from a cistern or water tank. There was discussion about what would be the likely source of water to fill the cistern. It was generally decided the situation would be hard to monitor, but should allowed to remain without further action unless it becomes obvious the by-laws are being violated.

Hawkins said that, since last month, another similar situation has arisen, on the Robert Hartley tap, which is immediately east of Wall. Several members of the Hartley family arrived at the meeting as discussion began, and were invited to address the Board. Mrs. Hartley explained that several members of her extended family would all be living at the residence, which consists of an existing modified mobile home, plus a new mobile home that is being combined with the present one to make a single dwelling. She presented a floor plan of the proposed structure to support her assertion that it will be only one household. After questioning Mrs. Hartley, Phillips requested that the family leave the meeting temporarily.

Discussion proceeded, with input from attorney Clay, who advised that the title to the new mobile home should be purged to make it a permanent part of the structure. It was generally agreed that the single dwelling did not violate by-laws in spite of the fact that the occupants might be considered to be more than a single family.

MOVED BY Figueroa,  
SECOND BY Peterson to accept the proposed Hartley dwelling as a single household, provided the construction is completed within 120 days, the title to the additional mobile home is purged, and Association personnel be invited to inspect the site upon completion.  
MOTION CARRIED with no opposing votes.

Meeting adjourned at 7:30 p.m.

*John Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co. Rd. 2535 (Meadow Drive)  
Board of Directors Meeting  
December 2, 1996**

Bob Phillips called the meeting to order at 7:35 p.m. in the boardroom of Association headquarters, 1717 County Road 2535, Cedar Mesa. Directors present were Phillips, Hawkins, Kline, McPherson, Figueroa, Sammons, and Peterson. Also attending were Gary Sheveland, Helen Hawkins, and Dan Hawkins.

MOVED BY Kline,  
SECOND BY Figueroa to approve the written minutes as mailed to directors, without reading at the meeting.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for November 1996.

MOVED BY Kline,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Gary Sheveland requested a commitment for three taps to be installed in a proposed minor subdivision on property south of the Rodeo Grounds and west of the grade onto Cedar Mesa. Sheveland said he had not approached the Town of Cedaredge to request taps, assuming the area was in USCDWUA territory. There was discussion of the territory, since this is an area under discussion between the Town and USCDWUA. The board agreed that the Town would probably not wish to serve the area.

There was discussion of how water could be brought to the subdivision. Three possible routes were mentioned: (1) from about 1/4 mile north on 2425 Drive, following the county road south past the Rodeo Grounds; (2) straight west down the side of Cedar Mesa from the main line in Panorama Heights; (3) from the northeast, connecting to the main line where it starts up Cedar Mesa above the Ross Stanfield home, proceeding along a bench of Cedar Mesa across land owned by Betty Lemmon. John Hawkins said he preferred the third alternative, because of the potential for future building sites on the bench.

It was decided by consensus to commit three taps to the minor subdivision, if the developer builds the supply line, and the Association will oversize the line to 4 inch diameter. The secretary was instructed to write Sheveland a letter with the commitment.

John Hawkins reported that Hermanos Development (Zimmermann) has submitted a revised plat and application for Serrento Heights, located at 2475 and Q-50 Roads. The new plan is for a three-lot minor, instead of the previously proposed 15-lot major subdivision. Hawkins stated the new plat was inadequate for him to formulate any comments as yet.

John Hawkins said that Delta County is seeking a default judgement

against Jan Vandenberg in the R Lane controversy, which would force her to build R Lane as specified on the approved plat for Cedar Heights.

John Hawkins reported that the Delta County Commissioners had turned down the Marshall Subdivision on Redlands Mesa.

Dan Hawkins reported there was nothing new in the discussion with Jan Lloyd and her proposed minor subdivision in the Chinn Water area.

Dan Hawkins reported slow progress on the filter plant upgrade project. Doughty Steel was supposed to have begun construction on the million-gallon storage tank by the end of October, and has been ready to go since then. However, the gravel base for the tank is still not ready. Dan Hawkins told the board he feels the project is hampered by lack of supervision and coordination by the Town of Cedaredge.

John Hawkins presented a draft of the 1997 budget. There was discussion of health insurance for employees. Gerald Figueroa recalled that some HMO programs had been presented to the board earlier in the year, and he felt the Association should begin phasing in health coverage in 1997.

MOVED BY McPherson,

SECOND BY Figueroa to increase the Insurance and Bond line item on the budget from \$2000 to \$4000 dollars to allow for some health insurance premiums.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 9:30 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
January 13, 1997

Bob Phillips called the meeting to order at 7:35 p.m. in the boardroom of Association headquarters, 1717 2535 Road, Cedar Mesa.

Directors present were Phillips, Hawkins, Sammons, McPherson, Figueroa, and Kline. Also attending were Bob Tweedell, Dan Hawkins, and Helen Hawkins.

MOVED BY Kline,  
SECOND BY Sammons to accept and approve the written minutes and dispense with reading minutes at the meeting.  
MOTION CARRIED with no opposing votes.

Bob Tweedell represented Hermanos Development (Zimmermann) and presented a revised plat of the proposed Sorrento Heights subdivision, located on the northwest side of the intersection of 2475 and Q50 roads. Sorrento heights is now planned to be a 15-lot development, constructed in five phases with at least three lots per phase. The developer proposes to purchase three taps initially, then, as each lot in the current phase is sold, to purchase a tap for the next future phase.

There was discussion of the construction of main water lines. The developer's plat shows a water line easement through the development, starting on 2475 Road, running west, then turning south to meet Q50 Road. It was generally agreed that this would have to be sized at 4" to meet fire protection requirements.

MOVED BY Figueroa,  
SECOND BY McPherson to approve the phased tap purchase for Sorrento Heights. An initial commitment for three taps is made, effective for one year. At the time a lot in each phase is sold, the developer must purchase a tap for the succeeding phase within 60 days. Such taps will be sold at the prevailing tap fee at the time of purchase, and are subject to approval by the Board of Directors. The developer agrees to extend the 6" supply line south along 2475 Road to the southeast corner of Lot 5, and to construct 4" line through the subdivision as required to accommodate succeeding lot sales.  
MOTION CARRIED with no opposing votes.

The secretary was instructed to prepare a letter to Zimmermann specifying the terms as set forth in the motion.

John Hawkins presented a financial report for December 1996.  
MOVED BY McPherson  
SECOND BY Kline to accept the financial report.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported on the progress of the treatment plant upgrade project. He said that frequent snowstorms have delayed work on the new million-gallon tank, because all snow must be removed from

the floor of the tank after each storm. Hawkins said that there has been very little participation from the Town of Cedaredge in the snow removal efforts, and no supervision of the project by the Town. He said the recent appointment of a Town Administrator may provide the Association with a new opportunity to obtain more control over the project. There was discussion of the idea that USCDWUA could assume the role of project manager, since the Town is overwhelmed with other problems at this time. There was a general consensus that the Town should be approached on this matter.

John Hawkins reported that Gary Sheveland will go before the planning commission January 16 to apply for his East Hills minor subdivision, located on the hillside south of the Rouge Grounds. It was generally agreed that the Town should be consulted about their position toward serving this area, since Sheveland apparently has not done so.

John Hawkins reported that a hearing is set for January 21 at 9:00 a.m. in District Court, Delta to decide the R Lane controversy at Cedar Heights and Canto Vista I minor subdivisions. Although Jan Vandenberg is presumably in default for failing to respond to the complaint, she has stated her intent to attend the hearing, and the judge may or may not allow her to present a case. Dan Hawkins read portions of a letter from Vandenberg, received by fax, in which she seeks agreement among all parties to leave the road where it is, on the pipeline right of way.

Meeting adjourned at 9:40 p.m.

*John Hawkins*

Upper Surface Creek Domestic Water Users Association  
Minutes of Meeting of Board of Directors  
February 3, 1997

Bob Phillips called the meeting to order at 7:34 p.m. in the board room of Association headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Phillips, John Hawkins, Kline, McPherson, Figueroa, Sammons, and Peterson. Also present were staff members Helen Hawkins and Dan Hawkins.

MOVED by Kline,  
SECOND by McPherson to approve the written minutes as mailed,  
and dispense with reading the minutes.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for the month of January, 1997.

MOVED by Peterson,  
SECOND by Figueroa, to accept the financial report.  
MOTION CARRIED with no opposing votes.

John Hawkins reported on the recent District Court trial concerning the R Lane right-of-way controversy. The hearing was attended by John and Dan Hawkins, Bob Phillips, and Jerry Figueroa. The judgment was in favor of the plaintiffs and all defendants except Jan VanDenBerg, and against Jan VanDenBerg. She must build a road within the specified easement called out on the subdivision plat for Cedar Heights. The road must be finished by June 15, 1997, and residents of Cedar Heights and Canto Vista minor subdivisions must cease using the USCDWUA right-of-way as a road at that time. The Association shall have the right to close the right-of-way to all traffic after June 15.

Dan Hawkins reported that work was proceeding on construction of the storage reservoir. It was slow because of continued heavy snow; he and Dayton Myers had been kept busy helping the contractor remove snow. He reported that to date they had shoveled 77 inches of snow from inside the tank.

Dan Hawkins reported on talks with Cedaredge concerning management of the treatment plant upgrade project. Town Administrator Joe Mulvey had requested a written proposal from USCDWUA with a specific description of the authority and responsibility of the project manager. Such a proposal had been provided to Mulvey, and copies were made available to USCDWUA board members.

MOVED by McPherson,  
SECOND by Figueroa, to continue negotiations with Cedaredge concerning USCDWUA assuming the role of project manager for the remainder of the treatment plant upgrade project.  
MOTION CARRIED with no opposing votes.



There was discussion of the draft agreement with Cedaredge concerning ownership and operation of the common system. Bob Phillips cautioned that if the agreement was to supersede previous agreements, care must be taken to protect all provisions of those previous agreements. It was generally agreed to proceed slowly with the agreement, perhaps waiting until the project management question is resolved before presenting a draft to the Town.

John Hawkins reported that he had written a letter to Gary Sheveland advising him that USCDWUA and the Town of Cedaredge would have to agree that his proposed minor subdivision south of the Rodeo Ground is within the Association service area before any taps could be committed to the development. Hawkins had spoken with Mayor Dave Watson, and had been advised to go ahead and serve that area. The County Planning Commission tabled Sheveland's application for other reasons.

The Secretary also reported that Jess Marshall's subdivision on Redlands Mesa will be considered again by the County Commissioners on February 10. The latest proposal is for a subdivision only, with no provisions for airplane use by homeowners.

Hawkins said he had talked to Greg Helmsing, who is offering three shares of Surface Creek water for sale. Helmsing may also have available three shares of Alfalfa Ditch priority number one flow decree for sale.

MOVED by John Hawkins,  
SECOND by McPherson, to purchase the shares of Surface Creek and to investigate the Alfalfa Ditch water.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported that the Linda Butler property is being divided into large parcels, and the surveyor has expressed interest in including water line easements on the survey. There was general discussion of possible routes to serve the parcels. It was generally agreed to seek easements from all appropriate main lines capable of serving the parcels.

Stan Sammons asked if health insurance had been obtained for employees, reminding the board that it was provided for in the budget. Dan and Helen Hawkins stated they believed first preference should be for Dayton Myers, until sufficient money is available for all employees.

MOVED by Sammons,  
SECOND by Figueroa, to start an insurance program for Dayton Myers.  
MOTION CARRIED with no opposing votes.

Meeting adjourned at 9:45.

*John Hawkins*



UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
March 10, 1997

The meeting was called to order at 7:35 p.m. by Bob Phillips. Directors present were Phillips, Hawkins, Kline, McPherson, Peterson, Figueroa, and Sammons. Also attending were Dan Hawkins and Helen Hawkins.

MOVED BY Kline,  
SECOND BY Figueroa to approve the written minutes as mailed and dispense with reading minutes.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for February, 1997.

MOVED BY Kline,  
SECOND BY Peterson to accept the financial report.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported on the progress of the treatment plant upgrade. Doughty Steel has completed the million gallon storage tank, up to the point of sandblasting and painting. These operations will be delayed until warmer weather. The Doughty contract calls for completion in June 1997. Doughty as submitted a bill for \$8,000.00 in additional charges above the contract price. The reason given was extra manpower and machine time spent removing snow during tank construction. Doughty claims that delays in preparing the tank base forced him to construct the tank two months later than intended.

During discussion, Dan Hawkins confirmed that 76 inches of snow had been removed from the inside of the tank as it was built. The snow removal consumed a great deal of time by the Doughty crew, as well as Dan Hawkins and Dayton Myers of USCDWUA. In addition, many hours of crane time were spent lifting the snow out over the walls of the tank.

MOVED BY Figueroa,  
SECOND BY Sammons to pay the USCDWUA share of the bill from Doughty, and authorize Dan Hawkins to determine that the bill is fair. A cap of \$8,000.00 is placed on the amount USCDWUA will participate in.  
MOTION CARRIED with no opposing votes.

John Hawkins reported that about \$595,000 has been spent between the Town and USCDWUA on the project to date. The estimated completion cost is in the vicinity of one million

dollars. Hawkins estimated that approximately \$24,000 will be required from USCDWUA within the next four to six weeks.

Bob Phillips reported he had attended the regular Cedaredge Town Council meeting March 6, and that a formal agreement was accepted by the Council placing USCDWUA in charge of completion of the treatment plant upgrade project. Dan Hawkins was named in the agreement as project manager. Phillips and John Hawkins signed the agreement with Mayor Dave Watson and Administrator Joe Mulvey March 7.

SUBDIVISION REPORT: John Hawkins reported that the County Commissioners have approved the Marshall Subdivision on Redlands Mesa. The airstrip is no longer part of the development, and may not be used by residents of the subdivision. Hawkins said he believes the development will now proceed.

Hawkins reported that Hermanos Development (Zimmermann) has presented a new proposal for Sorrento Heights at the corner of 2475 and Q-50 Roads. The plan now calls for 23 lots. The proposal goes before the County Commissioners March 17. Zimmermann still wishes to phase in water tap purchases three at a time, per the agreement previously approved by the USCDWUA Board. During discussion, it was generally agreed that the new plan does not materially change the previous phased commitment by USCDWUA.

MOVED BY McPherson,

SECOND BY Hawkins to approve the amended plan, under the same stipulation as the previous agreement concerning Sorrento Heights.

MOTION CARRIED with no opposing votes.

John Hawkins reported that Jan Lloyd has purchased a tap for use in her minor subdivision at T Lane and 2375 Road. There is no new information about the subdivision progress, however.

Dan Hawkins asked for a ruling from the Board on the water rate to charge Bud Burgess in 1997. He reminded the Board that in 1996, Burgess had asked for a special arrangement where his two separately installed taps could be treated as two memberships flowing through one meter. The Board had authorized that arrangement for the remainder of 1996 only. During discussion, it was pointed out that there are several other cases on the system where one owner with two separate meters could ask for the same treatment.

MOVED BY Peterson,

SECOND BY Kline to charge the Bud Burgess residence at the agricultural rate, and charge the tenant house separately at the standard rate.

MOTION CARRIED with no opposing votes.

Dan Hawkins reported that Dayton Myers has agreed, at least for the remainder of 1997, to allow USCDWUA to pay for his private insurance, rather than purchase a company policy for him. This would be less expensive, at approximately \$130 per month, than insurance available from Rocky Mountain HMO, although the HMO policy would offer more desirable coverage.

MOVED BY McPherson,  
SECOND BY Figueroa to pay Dayton Myers' private insurance premiums.  
MOTION CARRIED with no opposing votes.

John Hawkins reported that three shares of Surface Creek water yielding 16.5 second feet has been purchased at a cost of \$27,000. Hawkins reported he investigated some Alfalfa Ditch flow decree water that also may be available. That water is only useable during the irrigation season, and if transferred to domestic use, only the historical consumptive use may be transferred. Hawkins said he can find no guidelines for determining the historical consumptive use. There is also no information available on the market value of Alfalfa Ditch stock. There was general agreement not to aggressively pursue the Alfalfa Ditch water.

John Hawkins reported that there may be some land development planned along Highway 92 in the Payne Siding area south of Redlands Mesa. Although no requests have been made, it is possible the owners could be looking to USCDWUA for domestic water in the future.

Meeting adjourned at 9:50 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
P.O. Box 70  
Cedaredge, CO 81413

Minutes of Board Meeting  
April 14, 1997

The meeting was called to order at 7:30 p.m. in the Boardroom of Association headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Phillips, Hawkins, Peterson, Sammons, McPherson, Kline, and Figueroa. Also attending were Gary Kensler, Debra Kensler, Helen Hawkins, and Dan Hawkins.

MOVED BY Kline,  
SECOND BY Figueroa to approve minutes of the previous meeting as written, and dispense with reading minutes.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for the month of March, 1997. Bob Phillips asked what the Association's obligation in 1997 will be for the new treatment plant. The answer was approximately \$70,000, if the Association's share remains at 20%.

MOVED BY McPherson,  
SECONDED BY Peterson to accept the financial report.

Gary and Debra Kensler asked to remove a tap from a lot they own in Far View Subdivision, to be re-installed at the south end of Cedar Mesa on 2420 Drive. They own two adjacent lots in Far View, and wish to combine them and sell them as one parcel with one water tap. Dan Hawkins said the taps in Far View are already installed, with meter pits on the lots. It was pointed out that the Association by-laws prohibit such a relocation of taps unless the situation constitutes a hardship on the owner. The Kenslers agreed to purchase a new tap for the property on 2420 Drive.

Dan Hawkins reported on the status of the Treatment Plant project. The Town of Cedaredge has accepted a budget of \$200,000 for completion of the plant. In addition, \$130,000 is currently owed to Doughty Steel and Filter Tech for their contracts, which are both nearly completed. Contracts have been signed with Mike Laurita for concrete, and Dancot Construction for a steel building. Laurita is scheduled to begin May 15.

John Hawkins reported on various subdivisions. Zimmermann's Sorrento Heights at 2475 Road and Q-50 Road has been scaled back to 15 lots. It is re-entering the County Planning process. Gary Sheveland's planned minor subdivision for the west side of Cedar Mesa in the area of the Rodeo Grounds has been scrapped. Marshall's Redlands Mesa subdivision is apparently still moving ahead, but there is nothing new to report.

John Hawkins said that Bob and Mary Smith plan to make a single split of property along the south side of Q Road between 2525 and 2500 Roads. They need approval for one tap. There was no objection from the directors to approving one tap for Smith.


Dan Hawkins reported that Dave Hagadorn has asked the Association to assume ownership of a 1" PVC line currently running from his meter to his house. He also wishes to move his meter to his house, at his expense. There was no objection to this arrangement from the directors.

John Hawkins said he had an offer of 3/4 share of Surface Creek water priced at \$7,500. There was no interest expressed by the board in purchasing that water at this time.

Meeting adjourned at 9:15 p.m.

*John Hawkins*






UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
P.O. Box 70  
Cedaredge, CO 81413

Minutes of Board Meeting  
May 12, 1997

The meeting was called to order by Bob Phillips at 7:35 p.m. in the board room of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Phillips, Hawkins, Kline, Figueroa, Sammons, and McPherson. Also attending were Dan Hawkins and Helen Hawkins.

MOVED BY Kline,  
SECOND BY McPherson to approve the written minutes of the previous meeting and dispense with reading the minutes aloud.  
MOTION CARRIED with no opposing votes.


John Hawkins presented a financial report for April, 1997.



MOVED BY McPherson,  
SECOND BY Figueroa to accept the financial report.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported that work on the treatment plant project has begun, with the first job to be repair of some leaks around the existing plant which are creating mud. The exterior piping is being installed, which will be followed by the foundation.

Dan Hawkins reported that a tentative schedule has been worked out with the Town on co-managing the existing water treatment plant. The Town does not have enough licensed plant operators available to keep the plant manned every day, and has asked for help from the Association. A rotating schedule which alternates weekends with week days is proposed, which will give USCDWUA about eight days out of every month to be responsible for the plant. Figueroa asked if the schedule would be too demanding, interfering with other duties. Dan Hawkins said the management of the treatment plant construction would require him and Dayton Myers to be at the plant most of the time anyway. May is considered to be a trial month to see if the plan is going to work. Figueroa also brought up the issue of liability - who is to blame in case of an error or accident in plant operation? Hawkins said that Jim Hoffbauer, who is the designated Town plant operator, would be considered to be the operator in charge, and all procedures would be done per his instructions.



Figueroa reported that a land owner named Willis is offering four parcels of greater than 35 acres for sale on the east side of Fruitgrowers Reservoir, south of N road. He asked if the existing water line on the north side of N Road would have sufficient capacity to serve additional taps. There was lengthy discussion of the entire pipeline from the south end of Cedar Mesa all

the way along 2420 Drive to Harts Basin. Dan Hawkins said he currently knew of no leaks or other problems with the line, and that it seems to be performing adequately for the taps that are on it. John Hawkins said he felt that the existing line was capable of serving more taps, and suggested that applications for taps, if they are made, should be considered one at a time. There was general consensus to use this approach.

John Hawkins presented a plat for Sorrento Heights, the subdivision proposed by Zimmermann on Cedar Mesa. The latest version is for 15 lots, which has been scaled back from the last proposal. It was generally agreed that this presented no change from the Association position previously taken for the phased development of Sorrento Heights.

Meeting adjourned at 8:50 p.m.

*John Hawkins*

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION  
Minutes of Board Meeting  
June 9, 1997

Bob Phillips called the meeting to order at 7:40 p.m. at Association headquarters, 1717 2635 Road, Cedar Mesa. Directors present were Phillips, Hawkins, Kline, McPherson, Sammons, Peterson, and Figueroa. Also attending were Dan Hawkins and Helen Hawkins.

MOVED BY Kline,  
SECOND BY Figueroa to approve the minutes as written and mailed to the directors before the meeting, and to dispense with reading of minutes.  
MOTION CARRIED with no opposing votes.

John Hawkins presented a financial report for the month of May, 1997. In response to a question by McPherson, Dan Hawkins said the Town of Cedaredge has been billed \$8,790 for treatment plant project costs, and approximately \$700 for treatment plant operation during May.

MOVED BY McPherson,  
SECOND BY Kline to accept the financial report.  
MOTION CARRIED with no opposing votes.

Dan Hawkins reported that progress on the construction of the new treatment plant is approximately two weeks behind schedule. Laurita, the concrete contractor is at work on the foundation. The building is expected to be delivered in early July, and will be erected later that month. He also reported that the first month of joint operation of the existing filter plant had gone smoothly.

John Hawkins presented a summary of the progress of subdivisions which have come before the Board in recent months:

- Sorrento Heights will be considered for preliminary approval by the County Planning Commission this week.
- S&S is not a proposed subdivision any more. The entire parcel, located at 2849 N Road, Redlands Mesa, has been purchased by one individual.
- Robert Smith, at Q Road and 2575 Road, Cedar Mesa, has obtained a split, and must purchase a water tap.
- Robinson/Canaday is not in the formal subdivision approval process yet. The land owner has contacted Dan Hawkins about the possibility of the Association serving the property, which is east of Surface Creek, north of U-50 Road. The owner would need to construct a line to 2425 Drive to connect to the main line there.
- Dickus has purchased a part of the Colley (formerly Bob Evans) property at 2550 and P Road, Cedar Mesa. He and an adjoining owner wish to construct a common water line to serve their two parcels. Dan Hawkins has given them approval to do so, and make it an Association line.

- Willis Property (east side of Harts Basin): there has been one inquiry about water service to one of the parcels so far.

Dan Hawkins presented a usage report. There was a general discussion of overuse. Hawkins said that the heaviest users generally were on the agricultural rate. He said that the policy generally has been that the agricultural rate is given only if a user asks for it, and the case merits it. There was discussion of the types of operations which could qualify for agricultural rates, specifically a commercial greenhouse. It was generally agreed that this could qualify.

Dan Hawkins reported that Charles Parker came to the Association office and asked that rocks be removed from an Association right-of-way east of 2550 Road, about ½ mile north of R Road. This is the route of the 6-inch Redlands supply line, installed in 1994. During discussion, there was some doubt expressed that Parker owned any of the land crossed by the pipeline. The negotiations for the right of way had been conducted with another family member, and an attorney for the Parker Estate. Figueroa moved that the rocks be removed. There was no second to the motion.

Herman Kline urged that the Association attempt to recover costs caused by Silicon Mountain in the installation of telephone cable for TDS Telecom.

Meeting adjourned at 9:23 p.m.

*Dan Hawkins*

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

1717 Co. Rd. 2535 (Meadow Drive)

July 14, 1997

Board of Directors Meeting

Herman Kline called the meeting to order at 7:35 P.M. in the Boardroom of the Association Headquarters, 1717 Co. Rd. 2535, Cedaredge Colorado. Those present were Herman Kline, Stan Sammons, John Hawkins, Wayne McPherson, Jerry Figueroa, Robert Phillips. Also, present were Jim Allen, Gary Kensler, Dan Hawkins and Helen Hawkins.

It was moved by Wayne McPherson and seconded by Stan Sammons to approve the written minutes as mailed to the directors and dispense with the reading of the minutes. The motion was carried with no opposing votes.

John Hawkins presented the financial report for June 1997. No questions were asked. It was moved by Jerry Figueroa and seconded by Wayne McPherson to accept the financial report and place it on file.

Jim Allen asked for relief of his water bill because he did not intentionally use the water. He believed that somebody else opened the faucet while he was away causing the waste of 53,000 gallons of water and a bill of \$192.00. It was moved by Wayne McPherson and seconded by Stan Sammons to settle the bill for half that amount. The motion was carried without opposing votes.

Gary Kensler, who had previously been turned down by the board on the question, asked again to move his second tap from Far View Subdivision to his new home on 2420 Drive. He claimed economic hardship from unexpected costs of building his house and his inability to continue with his plans if he could not split the tap from the Far View location. Wayne McPherson pointed out that Association bylaws prohibited moving taps. Jerry Figueroa explained that the reasons for these bylaws were to keep within the County and the Water Association's plans for future water needs. Hawkins moved that the appeal is denied, based on the premise that this was not a hardship case. Wayne McPherson seconded the motion. Motion was carried with no opposing votes.

There was a discussion with Mr. Kensler on how to cross the Cedar Mesa Ditch. The consensus was to wait until the ditch water was no longer running. A temporary line could be installed until that time. Mr. Kensler would be responsible for the costs.

Dan Hawkins presented the Treatment Plant Construction Report: The construction remains about two weeks behind but is moving along well. The building from Dancot should be here within a day or two and will be stored at the site. The million-gallon water tank was filled, disinfected and drained. It is now refilling and will be put into use. The twelve-inch pipe has been disinfected and will be put into use. The old eight-inch pipe will be used until the property owners in the area can decide how they will handle their respective hookup problems with the new twelve-inch line. The new diversion box was also put into use and is working well.

Dan Hawkins presented the Treatment Plant Operation Report: Cedaredge reimbursed the Association \$696.00 for May and will be charged \$1,074.00 for June. The relationship between Dayton Myers, Dan and Jim Hoffbauer is very good. They have worked out a time sharing program that is beneficial to all parties involved. Jim is the acknowledged authority at the plant and Dan believes him to be knowledgeable and dedicated to his position as plant operator.

Subdivisions:

1. Zimmerman-Sorrento Heights -- The Delta County Planning Commission instructed the developer and opponents to have a meeting to negotiate issues. Mr. Figueroa said that he has been appointed as the representative for Zimmerman in the negotiations. He said that many differences have been resolved, and the opposition has diminished somewhat. He believes that the Delta County Commissioners will approve the subdivision this month.

2. Jan Vandenberg has built the R Lane road to the satisfaction of the Association. The Association will move a meter that is to close to the Vandenberg road. The cost will be borne by the Association.

3. Rita Trninich -- Delta County is considering a boundary adjustment for Ms. Trninich and would like comments from the Association. Evidently there is no tap commitment required. No action was taken.

4. Raymond McAlpine is contemplating a split of his property at P-37 Lane. No formal county action has been taken.

Meeting adjourned at 9:20 P.M.

*John Hawkins*



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535 (Meadow Drive)

August 11, 1997

**Board of Directors Meeting**

Robert Phillips called the meeting to order at 7:39 P.M. in the Boardroom of the Association Headquarters, 1717 Co. Rd. 2535, Cedaredge, Colorado. Those present were Robert Phillips, Herman Kline, Stan Sammons, Wayne McPherson, John Hawkins and Kelly Peterson. Dan Hawkins and Helen Hawkins were also present.

It was moved by Herman Kline and seconded by Wayne McPherson to approve the written minutes as mailed to the directors and dispense with the reading of the minutes. The motion was carried with no opposing votes.

John Hawkins presented the financial report for July 1997. It was moved by Stan Sammons and seconded by Kelly Peterson to accept the financial report and place it on file. The motion was carried with no opposing votes.

**Dan Hawkins presented the Treatment Plant Construction Report:**

The two filters have been placed on their pads.

The dock and stairs will be poured tomorrow which will be the final cement pour for the plant.

The filter medium will be installed tomorrow. There will be a Filter Tech engineer at the site to watch the operation.

When this has been completed, Dancot will be given notice that they can begin construction of the building.

The new million gallon tank has been cleaned and disinfected. It is now operating successfully.

The diversion box has been put into use and is operating successfully.

All the taps between the filter plant and the diversion box have been switched over from the eight-inch pipe to the new twelve-inch pipe and the eight-inch pipe has been abandoned. Bacterial water samples were taken from the tank and the new line and the water was safe.

**Other items discussed:**

The sources for raw water are from springs and the intake between Kehmeier and Cedar Mesa Reservoirs. The Marched line is not in use because of the bad taste. The Surface Creek intake is turned off now.

Three master meters were installed on Redlands Mesa to monitor water flow on the mesa.

There is still a question as to the amount of electricity USCDWUA is being charged by Cedaredge and the DMEA at the filter plant. This is a problem that will be researched when time becomes available.

Filter plant operation with Jim Hoffbauer of Cedaredge and USCDWUA personnel is still running smoothly.

**Subdivisions:**

Zimmerman - Sorrento Heights -- There is still some disagreement concerning whether or not manufactured houses should be allowed and problems with the road in Sorrento Heights. Delta County Commissioners will probably make a decision about the subdivision next Monday. No action was taken by the board.

Jack Yates and Paul Snell have each made inquiries about buying two taps. No action was taken.

Property Tax issues:

John Hawkins gave a brief history of property taxation and USCDWUA. Prior to 1985 water companies such as USCDWUA were exempted from Property Taxation on an informal bases. In 1985 the state legislature formalized the exemption for water companies by stating that they are "Charitable Organizations" since they provide a service that the State would have to provide if water companies did not exist.

In spite of this decision, in 1986 the Delta County Assessor decided that eight of about thirty water companies in the county were to be taxed for 1985. USCDWUA was one of the companies required to pay property tax for 1985. The tax was set at 30,000 dollars. USCDWUA appealed this decision but ultimately had to pay 9,000 dollars tax plus 6,000 dollars interest. This was paid in 1991. Recently Delta County Commissioner Ted Hayden brought to John Hawkins' attention that USCDWUA still owed 6,000 dollars interest. Proof of payment was given to the County Treasurer as a receipt, canceled check and bank statement showing the Company did indeed pay the County treasurer 15,000 dollars for the tax and the interest. The county assured John that this matter has been straightened out.

USCDWUA owns three parcels of land. The parcel North of Cedaredge where the main tank is located, the parcel where the office and shop is located and a parcel on Redlands Mesa. Due to the boundary changes made when the Association built the driveway to the office and shop, and to some misunderstanding as how to adequately report the Redlands Mesa parcel, USCDWUA has received a notice from the County Treasurer stating that the Association owes property tax. John Hawkins has been in contact with the Colorado Department of Revenue in Denver and is working with them in filing a new application to take care of the situation. There should be no problems.

The meeting was adjourned at 9:25 P.M.

*John Hawkins*

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

1717 Co. Rd. 2535

September 8, 1997

Board of Directors Meeting

Robert Phillips called the meeting to order at 7:40 P.M. in the Boardroom of the Association Headquarters, 1717 Co. Rd. 2535, Cedaredge, Colorado. Those present were Robert Phillips, Herman Kline, Stan Sammons, Wayne McPherson, John Hawkins, Jerry Figuora and Kelly Peterson. Also present were Dan Hawkins, Helen Hawkins and Dick Ducic.

It was moved by Herman Kline and seconded by Jerry Figuora to approve the written minutes as mailed to the directors and dispense with the reading of the minutes. The motion was carried with no opposing votes.

John Hawkins presented the Financial Report for August 1997. USCDWUA has not received a payment from Cedaredge for July Filter Plant Operation and Filter Plant Construction work.

It was moved by Wayne McPherson and seconded by Jerry Figuora to accept the Financial Report and place it on file. The motion was carried with no opposing votes.

Dick Ducic was interested in purchasing two taps to serve a split of Lot 21, Lone Pine Subdivision. There was a discussion to determine which line to serve the taps. The choice was between a two-inch line along Lone Pine Road (R-25 Road) or a four-inch line along the South boundary of Lot 21.

It was moved by Wayne McPherson and seconded by Stan Sammons that USCDWUA sell Mr. Ducic two water taps to be served off the four-inch line and that an easement will be provided for the water company. The motion was carried with no opposing votes.

Dan Hawkins presented the Treatment Plant Construction Report:

The filter medium was installed successfully.

Dancot has begun construction of the building.

The major pipes in and out of the treatment plant are being put together. The roof will be over head before snow falls.

There remains 70,000 dollars in the treatment plant construction budget (the Association's portion of that is 14,000 dollars). It is more than likely the costs will be within the budget. Cedaredge has not yet billed USCDWUA for all expenses and USCDWUA has not been paid for all the bills that the Association has sent to Cedaredge.

Stan Sammons pointed out that Dan and Dayton have saved both USCDWUA and Cedaredge a considerable amount of money because of their efforts with the treatment plant and diversion box. He felt that they should be compensated in some manner. It was agreed that Jerry Figuora and Stan Sammons investigate appropriate ways of handling this matter.

A brief history of the Right of Way to USCDWUA tank site north of Cedaredge:

Early in the history of USCDWUA the water company purchased a quarter of an acre from Darrell Geyer, five miles north of Cedaredge on 2500 Drive where the Association's

100,000 gallon tank is located.

In 1984 an agreement was drawn up between USCDWUA and Mr. Geyer. USCDWUA was granted a formal Right of Way in return for building a bridge across Milk Creek, graveling the access road and providing materials for a fence to the tank site. The easement is platted and recorded with the Delta County Clerk and Recorder.

Gerhard Rueckert purchased this land from Mr. Geyer and has spilt the area into several parcels. Ashley Houser now owns the parcel of land on which the Geyer Right of Way is located.

About two years ago Gerhard Rueckert built a new access road across Milk Creek to the tank site. The Rueckert road crosses Milk Creek just below the Geyer bridge. The property in question is not owned by Daisybel nor Gerhard Rueckert.

Apparently Mr. Houser and Mr. Rueckert made an informal agreement between themselves that all rights of the Geyer Right of Way were to be transferred to the Rueckert access road. Neither USCDWUA nor the Town of Cedaredge were informed of this agreement and no copy of the agreement has been presented to USCDWUA or Cedaredge.

This spring the culvert pipe that Mr. Rueckert installed to cross the Milk Creek washed out. Mr. Rueckert repaired the culvert pipe and paved a stretch of the road over the culvert and a few yards either side of the creek. The quality of this work is questionable at best. Daisybel Rueckert and Gerhard Rueckert have notified USCDWUA that the Association owes them \$760.00 for its part of the cost of rebuilding the crossing of Milk Creek. In their minds \$760.00 represents one sixth of the total cost. The other five participants are not known by the Association. Mr. Rueckert has strung cables across this road and once threatened a Cedaredge employee that he would be shot if he used the road. The Sheriff was called in response to the threat.

The question before the board was: Should USCDWUA pay Mr. Rueckert \$760.00 for repairs made on this new access road?

Dan Hawkins stated that Ashley Houser acknowledges that USCDWUA still has access on the Geyer road. The Rueckert road is somewhat more convenient to use than the Geyer road as there are several locked gates to cross on the Geyer road. The Geyer road has been used recently.

Kelly Peterson said that we could use the Rueckert road if it was built as well as the Geyer road but did not believe that USCDWUA was obligated to do the necessary upgrading.

Robert Phillips believes that USCDWUA should maintain the original Geyer access.

Jerry Figuora wants Dan and Dayton to continue driving on the Geyer access occasionally even if it is inconvenient so that Mr. Houser realizes that USCDWUA has not given up its rights to the Geyer Right of Way.

No action was taken to pay Mr. Rueckert.

JoAnn Fagan has requested a tap for her property on the east side of Redlands Mca. There was a discussion of the problems of extending the USCDWUA service area.

It was moved by Wayne McPherson and seconded by Jerry Figuora that: USCDWUA will sell a water tap to JoAnn Fagan. If she comes to the main water line through her property, she will pay for all of it herself and maintain it as a private line. If she decides to go down County Road 2950, the Association will reserve the right to participate in the construction and pay for over sizing the line extending USCDWUA line approximately 1,500 feet. The motion was carried with no opposing votes.

Delta County notified John Hawkins that Jack Zimmerman is making improvements to the Sorrento Heights subdivision plan. John asked for the authority to sign off these improvements

if the situation comes up before the next board meeting.

It was moved by Jerry Figuora and seconded by Kelly Peterson to give John Hawkins authority to sign off the improvements. The motion was carried with no opposing votes.

Wayne McPherson commented that there are several mobile homes in the service area that do not appear to have a water source other than USCDWUA and that their owners have not purchased a tap. Besides violating the bylaws, there is a possibility of a hazardous cross connection. It was the consensus of the board that research must be done to establish what legal rights the Association may have to force people to abide by the agreement that they signed when they became a member.

Stan Sammons announced that he would not run for another term next year.

Robert Phillips also announced that he would not run again.

The meeting was adjourned at 10:35 P.M.

*John Hawkins*

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

1717 Co. Rd. 2535  
Cedaredge, CO 81413

Board of Directors Meeting  
October 13, 1997

Herman Kline called the meeting to order at 7:30 p.m. in the Boardroom of the Association Headquarters, 1717 2535 Road, Cedar Mesa.

Directors present were Wayne McPherson, Jerry Figueroa, John Hawkins, Stan Sammons and Herman Kline. Also present were Dan Hawkins, Helen Hawkins, Tommy Gray, Troy Gray, Ray Boyle, Carol Badding, Ed Badding, Laree Moore and Lonnie Stites.

It was moved by Stan Sammons and seconded by Jerry Figueroa to approve the written minutes as mailed to the directors and dispense with the reading of the minutes. The motion was carried with no opposing votes.

**John Hawkins presented the financial report.**

The payments to Brewer Construction were explained. Brewer Construction was paid the final payment of \$750.00 for the new 12-inch line. The cost for hauling the filter modules to the new treatment plant was \$ 240.00 dollars.

Jerry Figueroa asked about the change order for Mike Laurita. Mr. Laurita had excluded the cost of the dock and steps in his initial bid. The change order was for the completion of the dock and steps to the treatment plant.

It was moved by Jerry Figueroa and seconded by Wayne McPherson to accept the Financial Report and place it on file. The motion was carried with no opposing votes.

**Dan Hawkins presented the Treatment Plant Construction Report:**

The roof is on the building.

Equipment is being moved into the building.

The garage door is not installed but Dan believes that Dancot will be finished with the job in approximately 10 days.

Dan is especially pleased with the insulation.

Dan and Dayton have done some of the electrical work and will have Mike Eyre of Delrose finish the work that must be done by a professional.

Dan has reported to the Town of Cedaredge that the project will be within the budget.

**Dan Hawkins presented the Treatment Plant Operation Report**

Due to the conservation of Cedaredge and the ample storage of the new tank the operation of the existing plant is not much of a problem. Jim Hoffbauer has been helping Dan and Dayton on the construction of the new treatment plant.

There have been no problems with the diversion box or the new 12-inch line.

Jerry Figueroa mentioned that Hosea Richards thinks that USCDWUA water makes him sick. Dan Hawkins said that Mr. Richards has never approached him with this problem. The water is tested and records of the testing are maintained. Dan will be willing to go to Mr. Richards home to



draw water and have it tested.

Dan Hawkins stated that Mr. Allen Adger would like to work out an agreement for the Gerhard Rueckert road access. No action was taken.

**Water tap requests:**

Mark Fairchild owns property along the east side of Panorama Heights. He is planning to subdivide this property into a minor subdivision. The possible plan is to get water from the southeast tip of Panorama Heights, construct a four-inch pipe to a fire hydrant which Mr. Fairchild plans to install.

There was some discussion as to the feasibility of connecting Mr. Fairchild's line with Jack Zimmerman's planned subdivision Sorrento Heights which is east of Fairchild property. Jerry Figueroa pointed out the Sorrento Heights' plan is going before the County Commissioners on October 22, 1997 and that there is not enough time to change the plat for other easements in Sorrento Heights to accommodate the Fairchild subdivision..

Jerry Figueroa moved and John Hawkins seconded that:

If Mark Fairchild has a minor subdivision or less, his line can come in from Panorama Heights. The Association will ask for a 30-foot easement along the north side of Q-50 Road. Mr. Fairchild will build a four-inch pipe to the fire hydrant. If Mr. Fairchild changes his mind and decides to have a major subdivision other plans will be necessary.

The motion was carried with no opposing votes.

Raymond Boyle is purchasing land on Redlands Mesa north of P-50 Lane, east of 2900 Road. The water pressure at that point is low. Mr. Boyle presented the board with a plan in which the Association would supply water to his property to an elevation where the pressure is low but still positive. He would then install a cistern with a pump and pressure tank to provide water to his building site. He understands that a deed restriction will be placed on the property that would be binding to any new owner.

There was some discussion as to the problems he may have. If, for instance his cistern is below the other taps in that area, he would need a dole-valve. Mr. Boyle was willing to submit a design for approval.

Wayne McPherson moved and Stan Sammons seconded that:

The Association make a commitment to provide a water tap for Mr. Boyle contingent on the approval by the board of Mr. Boyle's design for his own pressure system.

The motion was carried with no opposing votes.

<sup>Survey</sup>  
Lonnie Stites is subdividing his property at 2405 Co.Rd. U-50.

This would be a minor subdivision which would add two more taps. The Association water line runs south of U-50 Road. Mr. Stites property is north of the road. There is some question whether or not there is enough capacity from the line that already crosses the road near his present home. There is a two-inch line 500 feet east of his property that might be used. Dan Hawkins will investigate to find out if there is enough capacity from the existing line and find out the most economical way to provide water to the new taps.

Wayne McPherson moved and John Hawkins seconded that:

The Association provides two water taps to Mr. Lonnie Stites. The details of the installation will be worked out at the next board meeting.

The motion was carried with no opposing votes

Mike and Carol Badding own land on 2600 Road just south of P-37 Lane.

Tom and Troy Gray are owners of a parcel of land a half a mile east of 2600 road and approximately one mile south of Q Road. Between the Badding property and the Gray property Mr. Fick and Mr. Krohn each own a parcel of land.

The Baddings have sold a parcel of land on the southwest corner of their property and are interested in purchasing a new tap. Mr. and Mrs. Gray are interested in purchasing a tap for their parcel as well. Both the Baddings and the Grays were looking for some help from the Association in installing a pipeline from 2600 Road across the Badding property to the Gray property.

There was a discussion on the necessity for easements and the direction the pipeline should take.

John Hawkins moved and Wayne McPherson seconded that:

With the purchase of taps from Mr. and Mrs. Badding, Mr. and Mrs. Gray and Mr. Krohn, USCDWUA will approve the construction of a 4-inch pipeline through the Badding property and to the Grays property. There must be a written 30 feet wide easement from the owners of each property crossed. The property owners will pay for the construction of the pipeline and USCDWUA will supply the pipe and supervise the installation. After the line is constructed, USCDWUA will take over the line and be responsible for its maintenance.

The motion was carried with no opposing votes

#### Employee policy and pay:

It had been the intention of Jerry Figueroa and Stan Sammons to spend some time on the subject of employee policy and wages. However, due to the lateness of the hour, the board decided to review Jerry and Stan's ideas and have a more thorough discussion later

Idea's and objectives stated are as follows:

There should be some kind of compensation given to Dan Hawkins and Dayton <sup>Meyer</sup> Meyers for the savings made in the construction of the treatment plant and diversion box. Stan felt that compensation in a lump sum would be the answer.

Dan stated that he would prefer health insurance and a salary that is more in line with the type of skills and expertise than he gives to the company. He also stated that Dayton is paid below the norm for his skill and experience.

Jerry would like to see a defined long term goal for the structure of the company. He stated that the pay structure needed to be looked at.

Stan thought that Dan should be given a raise of \$ 300.00 a month plus health insurance. He also believes that Dayton should have a raise to bring his salary to \$17.00 an hour with paid holidays and vacation time. He also stated that he believes that Dan should also be given 30 or 40 percent of the payments made by the Town of Cedaredge for the work done by Dan as the project manager of the treatment plant.

John Hawkins stated that he would like to retire as Secretary - Treasure and from general management of the Association. This should be considered in the alignment of positions and salaries.

The Board members expressed their gratitude and admiration for the job that John Hawkins has done as Secretary-Treasurer and as General Manager of the water system.

No action was taken.

Meeting was adjourned at 11:00 p.m.

*John Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535  
Board of Directors Meeting  
November 10, 1997

Robert Phillips called the meeting to order at 7:30 p.m. in the Boardroom of the Association Headquarters, 1717 2535 Road, Cedar Mesa.

Directors present were Robert Phillips, Stan Sammons, Jerry Figueroa, John Hawkins, Herman Kline, Wayne McPherson, Kelly Peterson. Also present were Dan Hawkins, Helen Hawkins, Marsha Houser, Ashley Houser and Mr. and Mrs. Loney Stites.

It was moved by Herman Kline and seconded by Wayne McPherson to approve the written minutes as mailed to the directors and dispense with the reading of the minutes.

The motion was carried with no opposing votes.

**John Hawkins presented the Financial Report.**

Robert Phillips asked John how much more the Association will be paying on the Treatment Plant. John answered probably \$10,000 which is about \$10,000 less than budgeted.

John explained the credit adjustment of \$1,529.63 due to a check that the Town of Cedaredge lost in August of 1997. The check had not cleared the bank.

It was moved by Wayne McPherson and seconded by Herman Kline to accept the Financial Report

**Ashley and Marsha Houser requested to sell one of their taps to Alan Adger and Ann Harris.**

John Hawkins gave the history of the situation.

Stock had been given to Mr. Darrell Geyer when the Association purchased an acre from him for the tank site five miles north of Cedaredge on 2500 Drive.

The stock was handed down to Mr. Clarence Ferguson who obtained a lease from Mr. Geyer for his vacation home.

Mr. Gerhard Rueckert purchased the property from Mr. Geyer with the stipulation that the lease to Mr. Ferguson remain in effect.

Ashley and Marsha Houser purchased the parcel that the lease was on from Mr. Rueckert. The Ferguson stock was then transferred to Mr. and Mrs. Houser (stock # 1387). Mr. Ferguson continued to pay the monthly bills for stock # 1387.

Mr. and Mrs. Houser were required by the Association to purchase another tap (stock # 1388) to set up their mobile home.

The lease to Mr. Ferguson has recently been terminated. Mr. and Mrs. Houser plan on having only one home at the site.

Mr. and Mrs. Houser state that Mr. Ferguson's vacation home had not been used more than two or three days in the seven years that the lease was in force. They felt that since the lease was forced on them and that the vacation home had not been used, they should be able to sell stock # 1388.

Robert Phillips stated that he could see no way around the bylaws that would allow Mr. and Mrs. Houser move the tap off the property.

Stan Sammons stated that considering the fact that Mr. and Mrs. Houser were forced to assume the Ferguson lease, some consideration should be made.

It was moved by Jerry Figueroa and seconded by Wayne McPherson that:

USCDWUA offers to buy back stock #1388 for \$2,500.00 (two thousand five hundred dollars)

which was the price that Mr. and Mrs. Houser paid for their stock - with the understanding that Mr. and Mrs. Houser surrender the stock certificate. The motion was carried with no opposing votes.

Mr. and Mrs. Houser wanted some time to think it over and will contact John Hawkins when they decide whether to keep the tap.

#### **Dan Hawkins presented the Treatment Plant Construction Report**

The electricians are nearly finished and the DMEA will connect power within a couple of weeks.

The building is nearly done. Dancot received the wrong size garage door. It will be replaced delaying completion of the building for a few more weeks.

A Filter Tech Representative will be here the second week of December to check the equipment and start it for operation.

The cost is in line with or below the projected estimates.

The heaters will be installed this week.

There remains some plumbing to do.

All the plant equipment is in place.

#### **Treatment Plant Operation Report**

Dan Hawkins stated that there have been no problems with scheduling.

John Hawkins expressed dissatisfaction with the amount that Cedaredge charges USCDWUA for electricity.

He wants Cedaredge to acknowledge that there is a problem. Cedaredge claims that they get an insignificant amount from Tri State Generating Company for the electricity produced by the Cedaredge Power Plant.

DMEA will not give USCDWUA any information about the billing sent to Cedaredge and is not interested in installing extra meters on the Treatment Plant Buildings.

Jerry Figueroa suggested that Dan ask Cedaredge to authorize USCDWUA to talk to DMEA about the charges.

John stated that he is not interested in trying to get money from Cedaredge billed incorrectly in the past. He wants the charge in the future to be correct.

Dan stated the proper solution is to install a meter on each building. The Association will have to find and install the meters.

#### **Update**

The pipeline plans for Tom Gray and Mike Badding will be put on hold. (See October 13, 1997 Minutes) Mike Badding may decide to dig a well rather than allow a right-of-way through his property.

Michael Warner purchased a tap for his property at 1772 Co.Rd. 2550. Hosea Richards is the contractor for laying the pipeline. It became apparent to Dan Hawkins that constructing a six-inch pipe north along 2550 Road would be part of a long range plan for future development. Dan polled the board members and they agreed that if Michael Warner was willing to grant USCDWUA an easement and use a six-inch pipe line USCDWUA would pay for any extra cost.

Michael Warner was willing to cooperate with the water company and the pipe has been laid along 2550 Road about a mile and a half north of R Road.

John Hawkins reported that the Law Office of Dufford Waldeck Milburn and Krohn are representing Charles Parker. Charles Parker is displeased with the clean up of a six-inch line that runs

from approximately 1750 Co.Rd. 2550 to the corner of R Road and 2600 Road. This was part of the Merle J. Parker estate. Charles Parker did not own the land at the time the six-inch pipe was installed and he apparently does not own the land at this time.

Jerry Figueroa suggests that we notify Michael Warner and other property owners of this dispute.

Stan Sammons asked if the pipeline was cleaned up properly. Dan stated that all the parties involved at the time were satisfied, however there are some rocks that could be moved.

Jerry stated that USCDWUA perhaps should do some clean up. Dan said the cost would be about \$1000.00. No action was taken.

#### Minor Subdivisions:

Mr. and Mrs. Loncy Stites minor subdivision of 2405 Co.Rd. U-50:

Dan Hawkins measured the flow of water at Mr. and Stites home and determined that there was at least thirty gallons a minute. He felt that the pipe that goes under U-50 Road to serve the property would be sufficient for two more homes.

It was moved by Wayne McPherson and seconded by Jerry Figueroa that:

The Association approves the sales of two water taps for the Stites minor subdivision if the Association is granted a 20-foot water line easement along the south side of the Stites property.

The motion was carried with no opposing votes.

Raymond McAlpine has requested two taps for a proposed minor subdivision on the South side of P-37 Lane, East of 2600 Road.

Jerry Figueroa moved and Kelly Peterson seconded that:

USCDWUA sells two taps to Mr. Raymond McAlpine on P-37 Lane joining 2600 Road.

The motion was carried with no opposing votes.

#### Salaries and Employee Positions:

Jerry Figueroa, Kelly Peterson, Stan Sammons and any other board member who can attend will meet November 17, 1997 to discuss employee position, salaries and review the 1998 budget.

Jerry Figueroa moved and Kelly Peterson seconded that:

Dan Hawkins be paid \$4,200 and Dayton Myers be paid \$2,800 as a treatment plant project bonus. Appropriate Social Security deduction will be made on the bonuses.

The motion was carried with no opposing votes.

#### Other Business

Jerry Figueroa would like to see a package put together containing some company history and policy statements.

Mrs. Kline will bake cookies for the December 9, 1997 Annual Meeting.

The winter board meetings will take place at 6:30 P.M.

Meeting was adjourned at 10:35 p.m.

*John Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

December 8, 1997

Board of Directors Meeting

Robert Phillips called the meeting to order at 6:30 P.M. in the Boardroom of the Association Headquarters, 1717 Co.Rd. 2535, Cedaredge, Colorado. Those present were Board Members: Robert Phillips, Stan Sammons, Kelly Peterson, Jerry Figueroa, Wayne McPherson. Also present were Dan Hawkins and Helen Hawkins.

**Dan Hawkins presented the Financial Report.**

Robert Phillips asked about the \$225.00 paid to the Colorado Department of Local Affairs. Dan was not sure of the reason for these fees. He said he would study the background and have better answer at the next Board Meeting.

Dan was asked about the \$ 3,800.00 paid to Hawk Enterprises. Dan explained that it was for the rental of the Benson Brothers backhoe used for the treatment plant.

Jerry Figueroa asked about the feasibility of buying a backhoe. The general consensus of the board was that the Association would not save money by owning a backhoe, however the Association does not have a reliable and quick access to a backhoe in emergencies so it would be convenient for the Association to own a backhoe. No action was taken.

It was moved by Wayne McPherson and seconded by Jerry Figueroa to accept the Financial Report and place it on file. The motion was carried with no opposing votes.

**Budget Review**

Dan presented a draft of the Budget for 1998.

Robert Phillips asked how the projections of membership fees were determined. Dan said that there really is not a predictable method and that there is no correlation between memberships and transfers or installation fees.

There was a discussion about the \$60,000 budgeted for the Capital Improvements. Dan explained that this was budgeted in order to work with Cedaredge to obtain 5% more ownership in the Common Line and Treatment Plant plus \$10,000 for other possible Capital Improvements to the Association's own system.

Jerry Figueroa presented a report from the Salaries Committee which met December 1, 1997. The committee recommended that:

Dan Hawkins will receive a yearly salary of \$30,000.

Dayton Myers will receive a yearly salary of \$24,000.

Helen Hawkins will receive a yearly salary of \$16,800.

John Hawkins will be retained as a consultant and will receive a fee of \$500 00 a month.

There was a discussion of the position of Secretary-Treasurer. It was determined that the Secretary-Treasurer did not have to be a board member.

Robert Phillips would like to see the By-Laws changed to allow board members to receive



compensation.

It was moved by Jerry Figueroa and seconded by Wayne McPherson to approved the Budget for 1998 as altered. The motion was carried with no opposing votes

**Ashley and Marcia Houser - Note from John Hawkins**

Ashley and Marcia Houser accepted USCDWUA's offer to buy back Tap # 1388. They have been paid \$ 2,500.00. The Association has the certificate, but Marcia has not signed it. Ashley has asked, since we own the tap, if we would consider renting it to Mr. Adger in the trailer where it sets. There was no support in the board for such an arrangement.

**Badding Property - Note from John Hawkins**

When the Badding property was divided in 1981, ;the County required a common driveway onto 2600 Road. When the Association installed the 4-inch water line down the road, it placed a valve cluster where the driveway was designated. Mike Badding and John Hawkins met with the County Commissioners and got the driveway moved up the road about 500 feet, which is where Mr. Badding wanted it anyway.

**Subdivisions - Dan Hawkins' report from the Surface Creek Area Planning Committee meeting on December 4, 1997.**

Loney Stites' split for 3 lots was turned down because the drainage was questionable and because of the odd shape of one of the lots.

Sharon Burnett's split was approved

Bud McAlpine's split was approved.

**Dan Hawkins Presented the Treatment Plant Construction Report**

The garage door arrived Friday but it is not installed yet.

Dancot has submitted a final bill but it will not be paid until several details are finished.

The control consoles needed to be inspected and have a UL tag placed on them. Filter Tech paid for the inspection which cost \$2,500.00.

**Other Business**

John Hawkins said he talked with Mike Warner in regards to Charles Parker's complaint that USCDWUA did not clean up the rocks from the pipe line construction on the Parker Estate. Mike Warner who now owns the property said that he wants to leave the rocks in place.

**The Meeting was adjourned at 9:00 p.m.**

*Dan A. Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting

January 12, 1998

The meeting was called to order at 6:30 p.m. in the Boardroom of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Ellis Fritchman, Wayne McPherson, Herman Kline, Jerry Figueroa, John Hawkins, Bryan Klaseen. Also attending were Tom Cooper, Dan Hawkins and Helen Hawkins.

MOVED BY Herman Kline,  
SECOND BY Wayne McPherson to accept the minutes of the previous meeting as written and sent to the Board Members.

MOTION CARRIED with no opposing votes.

Figueroa asked if the Board should continue to meet at 6:30. The Board agreed that 6:30 was convenient for the winter months.

Dan Hawkins suggested that Tom Cooper be allowed to talk with the Board before presenting the Financial Report.

Tom Cooper is planning a minor subdivision for his property at 2643 Co.Rd. Q. Dan Hawkins and Cooper have discussed a possible easement for the water line. Given the nature of the terrain, the best easement would be along the west side of Cooper's property connecting the pipeline along Q Road to the 4-inch pipeline a quarter mile north of Q Road.

Cooper has some problems with the County's description of the property so no action will be taken by the Board until he is able to straighten out these problems with the County Planning Commission.

**Dan Hawkins presented the Financial Report.**

Hawkins pointed out the drop in the cost of water treatment. He felt that this is due to the fact that the Cedaredge hydro plant has been out of commission, therefore showing a more realistic electrical expense to the Association.

MOVED BY John Hawkins,  
SECOND BY Bryan Klaseen to accept the financial report  
MOTION CARRIED with no opposing votes.

**Insurance:**

Dan Hawkins presented the Board with Rocky Mountain HMO figures for the group health insurance plan. Since the Board had already voted to accept health insurance for the employees they agreed that both of the NC-50 HMO plans were acceptable.

Officer's Bond: At present the Officer's Bond for \$7,000 with a premium of \$100 a year is purchased through Whiteside Insurance Center in Delta. There would be an extra \$50 cost to add two names.

There was a discussion as to whether \$7,000 bond is enough and who should be

covered. John Hawkins felt that \$100,000 should be the minimum. Dan Hawkins was asked to check into the cost of a bond for \$100,000.

MOVED BY John Hawkins,  
SECOND BY Wayne McPherson to add Helen Hawkins and Jerry Figueroa to the Officer's Bond if it does not cost a great deal more.  
MOTION CARRIED with no opposing votes.

MOVED BY Herman Kline,  
SECOND BY Bryan Klaseen to ratify Dan Hawkins and Jerry Figueroa as co-signers of WestStar Bank in Cedaredge.  
MOTION CARRIED with no opposing votes.

MOVED BY Bryan Klaseen,  
SECOND BY Wayne McPherson to pass a resolution that Dan Hawkins and Jerry Figueroa will be co-signers at First Federal Bank in Delta.  
MOTION CARRIED with no opposing votes.

**Construction Report:**

Dan Hawkins stated that Filter Tech representatives will be here bright and early Tuesday to watch the installation of anthracite - the last layer of medium for the filter plant.

Hawkins is also waiting for some aluminum work to be done by Welfelt Fabrication to finish railings and grates.

The new plant will be operational this month. The old plant will be repaired and maintained on standby.

The Association will be receiving a bill or two from Cedaredge for the end of plant construction.

Jerry Figueroa would like to have a schematic for the Filter Plant.

**Subdivisions:**

Dan reported the following:

Loney Stites subdivision was turned down by the Planning Commission. They did not like the size and shape of the lots.

Ray McAlpine: The Planning Commission had no objection to McAlpine's subdivision but they want a 60 foot easement to comply with County specification. McAlpine does not agree to this so his subdivision may not go any further.

**Other:**

A question was asked about the Hartley home which is two mobile homes under one roof. Dan needs to check to see if the title for one of the mobile homes has been purged and inspect the home.

MOVED BY Herman Kline,  
SECOND BY John Hawkins to adjourn the meeting.  
MOTION CARRIED with no opposing votes.  
Meeting adjourned at 8:45 p.m.

Respectfully Submitted *Dan A. Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535  
Board of Directors Meeting  
February 11, 1998

Jerry Figueroa called the meeting to order at 6:45 p.m. in the Boardroom of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were Ellis Fritchman, Herman Kline, Jerry Figueroa, John Hawkins, Bryan Klaseen. Also attending were Dan Hawkins and Helen Hawkins.

MOVED BY Herman Kline

SECOND BY Bryan Klaseen to accept the minutes of the previous meeting as written and sent to the Board Members.

MOTION CARRIED with no opposing votes.

**Dan Hawkins presented the Financial Report:**

Dan Hawkins reported an error in the December 31, 1998 Financial Report.

Interested Earned - WestStar Bank	57.75
Bank Charges (Activity Costs)	28.20

Were in error.

WestStar Bank has a policy of giving its customers "Earnings Credit" which is derived from the average daily balance using a formula of 25 percent per full \$100 of available funds. This "Earnings Credit" is not deposited in the customers account. It is used as a threshold figure. "Activity Costs" consist of the monthly maintenance fee, charges on deposits etc. If a customer's "Activity Costs" are less than the "Earnings Credit" the customer is not charged a service fee. This was not understood in the December 31, 1998 Financial Report.

MOVED BY Klaseen

SECOND BY Kline to accept the amended December 31, 1998 Financial Report.

MOTION CARRIED with no opposing votes.

Dan Hawkins explained the Operating Income and Expense Report and the Balance Sheet Comparison. Hawkins said that the Cedaredge hydro-plant is back on line. Electric meters are installed on the three treatment plants.

John Hawkins felt that a Cash Flow Report would be helpful in understanding the financial reports and be useful in long term planning. Helen Hawkins agreed to create Cash Flow Reports for future board meetings.

MOVED BY John Hawkins

SECOND BY Herman Kline to accept the January 31, 1998 Financial Report.

MOTION CARRIED with no opposing votes.

**Dan Hawkins presented the Construction Report:**

Filter Tech owner Deb McCoy and technician Gordon Robertson were in Cedaredge on January 13 through January 19 to oversee the installation of anthracite (the last layer of medium for the filter plant) and finish their part of the filter plant. Hawkins reported to Joe Mulvey that the Association's role as project manager ended January 31, 1998. Further labor for construction work done at the filter plant will be charged to Cedaredge as a separate statement at \$ 15.00 an hour. The filter plant is ready to use.

**Dan Hawkins presented the Subdivision Report**

Jack Yates property - north of R Road, 1/4 mile east of 2475 road - Canto Vista lot 2: Yates is planning to re-subdivide his property. The Surface Creek Area Planning Committee found no problems with his plan. Hawkins has told Mr. Yates that he would be able to obtain a water tap. Yates has not yet applied for one.

Jan Dee Lloyd CKS Minor Subdivision, T Lane & 2375 Road: Ms. Lloyd has purchased one tap from the Association. In 1996 Dan Hawkins wrote a letter to Ms. Lloyd stating if she purchased one tap, the Association would build a pipeline from our main line at Surface Creek, proceeding west along T Lane as far west as her northeast property corner.

Hawkins would like to extend this line further west to the fire hydrant location.. Ken Meyers has agreed to provide an easement on the north side of T-Lane

Figuroa explained that, in as much as possible, the policy of the Association is to have growth pay for itself. If a pipeline runs along a county road or will benefit the management of the water system the Association may pay for part or all of the cost. If a pipeline is part of a subdivision or benefits a small number of members the developer pays for the cost of the pipeline after which the Association takes over the maintenance of the line. Each situation is decided on its own merits.

MOVED BY Bryan Klaseen

SECOND BY John Hawkins to extend the pipeline along the north side of T Lane to where the fire hydrant will be installed.

MOTION CARRIED with no opposing votes.

Art Remsbecker whose property is on Q Road 1/4 mile east of 2600 road, had previously requested and received a written commitment from USCDWUA that there would be four taps available for a major subdivision on his property. He has changed his mind and will be asking for two taps instead. John Hawkins said that there should be a stipulation that Remsbecker will provide a right of way. Dan Hawkins said that Remsbecker was willing to do so.

No action was taken

Sorrento Heights - Jack Zimmerman- northwest of the intersection of Q-50 and 2475 roads:

Sorrento Heights has been approved by the Delta County Planning Commission. The subdivision will be built in phases. Phase 1: Zimmerman will purchase three taps from USCDWUA. A 6 inch line will be extended to the Nicodemus property along 1475 Road.



## Officer's Bond

Dan Hawkins reported that the face value of the present bond is \$7,000. The bonding company does not generally want to insure companies for more than \$50,000. With four names on the bond, the yearly premium will be \$250.00 for \$50,000.00 coverage.

MOVED BY Herman Kline

SECOND BY Kelly Peterson to have Dan Hawkins, Helen Hawkins, Dayton Myers and Gerald Figueroa covered on the officer's bond.

MOTION CARRIED with no opposing votes.

## Other

There was a discussion on the Association's efforts to obtain an additional five percent more of ownership in the Filter Treatment Plant by taking on the 18 taps that Cedaredge now owns but is served by the Association pipeline. Cedaredge is reluctant to make this deal because it would have to be put to a vote. John Hawkins felt that an alternate plan would be for the Association to accept the extra taps in return for a guarantee that the Association will be able to ~~have it's full 20 percent~~ use the excess\* capacity of the Filter Treatment Plant in the future.


Figueroa suggested that the Association hold a retirement party for John Hawkins and Bob Phillips. It was agreed that a two or three hour open house in April would be appropriate.

The meeting was adjourned at 9:00 p.m.

Respectfully Submitted

Dan A. Hawkins *Dan A. Hawkins*

\* Correction in minutes - see Minutes of March 9, 1998



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**  
Board of Directors Meeting  
1717 Co.Rd. 2535  
March 9, 1998

Jerry Figueroa called the meeting to order at 6:40 p.m. in the Boardroom of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were John Hawkins, Ellis Fritchman, Jerry Figueroa, Bryan Klaseen, Wayne McPherson and Herman Kline. Also present were Dan Hawkins, Helen Hawkins and Steve Hennessy.

**Minutes**

The following change was requested by John Hawkins. Page 3 - first paragraph under Other: "Association will be able to have it's full 20 percent capacity of the Filter Treatment Plant in the future" changed to "the Association will be able to use the excess capacity of the Filter Treatment Plant in the future".

MOVED BY McPherson

SECOND BY Klaseen to accept the minutes as corrected.

MOTION CARRIED with no opposing votes.



**Financial Report**

Dan Hawkins presented the board with the Financial Report which consisted of a Cash Flow Report, an Income and Expense Report and a Balance Comparison Report.

Bryan suggested that the past due accounts be discussed at the next board meeting.

MOVED BY Klaseen

SECOND BY McPherson to accept the Financial Report

MOTION CARRIED with no opposing votes.


**Treatment Plant**

Dan Hawkins revised an earlier estimate of the Treatment Plant cost of \$1,017,00.00 to approximately \$ 985,555.00. He stated that this is still an estimate but believes that all the costs will be finalized by the end of March.

**Property Tax**

Dan Hawkins stated that after putting the item on the agenda he received more information about property taxation and would like to study this information before making a detailed report.

**Subdivisions**



Norton's Soaring Eagle Minor Subdivision - Applicant Patsy Ruth Lindsey - East of the intersection of R Road and 2425 Drive. Steve Hennessey was present to represent Ms. Lindsey. Dan Hawkins presented a corrected sketch of the subdivision which showed the correct position of the Association pipelines. Items discussed. 1) Desire for fire hydrant and its location. 2) Need for a new road and its location. 3) Accurate survey of the pipeline. 4) Need for an easement running south in anticipation of growth.

MOVED BY McPherson

SECOND BY Fritchman that: the Association commit three taps for Norton's Soaring Eagle minor subdivision to be purchased upon approval by Delta County on the conditions that: There will be 30 foot wide easements shown on the final plat for all pipelines; the proposed new access road will not be placed on or in any way jeopardize existing pipelines; the applicant will provide the Association with a pipeline easement running from the existing four inch pipeline to the south boundary at a location to be mutually agreed upon; a fire hydrant may be connected to the existing pipeline at the option of the applicant, with all costs borne by the applicant.

MOTION CARRIED with no opposing votes.

Pine Cone Corner Minor Subdivision - Applicants David M. and Antoinette Seaver - one mile north of R Road on 2550 Road. Seavers are splitting their land into one large piece and one small corner piece. Dan Hawkins has not talked with Seavers but plans to discuss a possible right-of-way running north from Hosea Richard's property on the west side of 2550 Road.

MOVED BY John Hawkins

SECOND BY McPherson to approve two taps for Seavers subdivision if requested, and try to get a pipeline easement.

MOTION CARRIED with no opposing votes.

Stratman Family Split - Applicant Gregory Stratman T-50 and 2425 Drive. Stratman has requested a water tap. Figueroa pointed out that there are fourteen acres to the west of Stratman's property that will be developed sometime in the future.

MOVED BY McPherson

SECOND BY Kline to approve selling one tap to Stratman on the condition that he provide an easement and construct the pipeline. The Association will reserve the option to pay the extra cost of installing oversized four inch pipe.

MOTION CARRIED no opposing votes.

### **Proposed Agreement with Cedaredge**

John Hawkins presented to the board a memorandum sent to the Association Board members July 12, 1996. This memorandum serves as a history of events leading up to the present situation. There was considerable discussion about the Association and Cedaredge service area problems. Attached to the minutes is an outline covering the essential points of this discussion and discussions during several previous Board meetings.

It was decided that the Board Members should have a work session with the Town Trustees. Dan Hawkins said that he would try to set up a meeting for Monday or Tuesday of next week.

### **Hartley Tap**

Dan Hawkins reported that he has spoken with Mr. Robert Hartley about the agreement Hartley made a year ago with the Association, to combine two mobile homes and purge the title of one of the mobile homes. This has not been done.

MOVED BY McPherson

SECOND BY Kline to give Mr. Hartley a 60 day extension to combine the two homes and purge one title or to buy another water tap.

MOTION CARRIED no opposing votes.

**Other**

Dan Hawkins reported that a TDS lawyer called to tell him that Silicon Mountain is suing TDS for non payment of work Silicon Mountain had contracted with TDS in 1995 and 1996. Hawkins reminded the lawyer that TDS still owed the Association \$4,400 for damages done to the water system during the installation of telephone cables in the area. Hawkins believes that he will be called on to testify on behalf of TDS. No action was taken.

**Roy Wolf**

Dan Hawkins reported to the Board that the one inch line that serves five taps between Currant Creek and Dry Creek is not providing enough water in that area. Fritchman stated that by increasing the size of that line there would be more revenue for the Association in the future. The cost of the project would be approximately \$10,000.

MOVED BY Klaseen

SECOND BY Kline to construct a four inch pipeline from Harry Vaughan's driveway to Currant Creek in order to alleviate the problems in that area and to negotiate with contractor for the lowest cost.

MOTION CARRIED no opposing votes.

**Sorrento Heights**

Jerry Figueroa excused himself from the meeting stating that it would be a conflict of interest for him to discuss this matter as he is working with Jack Zimmerman on the Sorrento Heights subdivision. As Vice President, Herman Kline directed the rest of the meeting.

Zack Zimmerman is planning a 15 lot subdivision on Q-50 and 2475 Roads, Cedar Mesa. John Hawkins explained that the plans for this subdivision have been changed many times. The Delta County Planning Department has approved this subdivision on the condition that the developer purchase three water taps up front and follow a five phase plan of development. The Association had agreed to provide water taps for the subdivision provided that he buys three taps upon approval of the subdivision by Delta County and pays for the pipeline installation to the Association specifications.

There are many unanswered questions about the road through the subdivision, driveways and placement of the pipeline. Dan Hawkins stated that Zimmerman was unprepared for these problems and that Zimmerman feels that the Association is placing an undue burden on his development. Jack Zimmerman wants to have a reprieve from having to pay the up-front money to purchase three taps. After talking with members of the Delta County Planning Commission and County Commissioners, Dan Hawkins said that the County would stop the development of Sorrento Heights if the Association did not require the purchase of three taps.

MOVED BY McPherson

SECOND BY Klaseen that the Association keeps the agreement that Jack Zimmerman purchase three taps upon approval of the subdivision by Delta County. That Dan Hawkins write a letter to the Delta County Planning Department and a letter to Jack Zimmerman stating that if Zimmerman has not purchased three taps by the April 13, 1998 Association Board Meeting, the board will consider retracting the commitment to sell taps for the Sorrento Height Subdivision.

MOTION CARRIED no opposing votes.

Meeting Adjourned at 9:30 p.m.

Respectfully Submitted

Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

April 13, 1998

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:46 p.m. in the Boardroom of Association Headquarters, 1717 2535 Road, Cedar Mesa. Directors present were: Jerry Figueroa, Ellis Fritchman, Herman Kline, John Hawkins, Wayne McPherson, Kelly Peterson and Bryan Klaseen. Dan Hawkins and Helen Hawkins were also present.

**Minutes**

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson to approve the minutes of the previous meeting as written and sent to the Board Members.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson to accept the Cash Flow Report as the Financial Report.

MOTION CARRIED with no opposing votes.

**Subdivisions**

Bar 1 Minor, owned by Charles Barnes. Located on Cedar Mesa, east of 2600 Road between Q and Q-25 Roads. Dan Hawkins reported that there would be no problem providing a tap for this split.

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson to sell a tap to Charles Barnes.

MOTION CARRIED with no opposing votes.

Replat of Schlemmer Minor, owned by Don Schlemmer. Located in Upper Surface Creek area, 1990 2425 Drive. Dan Hawkins reported that there are three possible ways to serve an additional tap at the property: (1) From the six-inch main on the west side of 2425 Drive; (2) From the four inch main crossing the Sheppard property on the north; or (3) From a one-inch line presently serving two parcels at that address.

John Hawkins stated his opinion that the one-inch line could serve another tap with no problems.

MOVED BY Herman Kline

SECOND BY Wayne McPherson to sell a tap to Don Schlemmer.

MOTION CARRIED with no opposing votes.

Sorrento Heights Major Subdivision, owned by Hermanos Development Corp. (Jack

Zimmerman) Located on Cedar Mesa, northwest of intersection of Q-50 and 2475 Roads. Dan Hawkins reported that three taps for the initial phase has been purchased by Zimmerman.

Items discussed:

Apparently Hermanos Development plans to build the water line.

The Association needs to see a Sorrento Heights road plan before construction of the water line.

If Hermanos Development is to build the water line, it must be understood exactly what is expected before the Association will tie onto the line. The Association will inspect every step of the way.

Zimmerman has stated that he intends to create a Sorrento Heights Water Association with the intent of operating the subdivision's water system. General consensus was that the Association would not accept such an arrangement.

Hosea Richards is the contractor desired by Hermanos Development to install the pipeline.

MOVED BY McPherson

SECOND BY Klaseen that Dan Hawkins will write a clear, concise and firm letter to Jack Zimmerman explaining what is expected of Hermanos Development at Sorrento Heights and what the Association will accept.

MOTION CARRIED no opposing votes.

Dan Hawkins stated that he would like to see a formal policy developed in which the Association, acting as general contractor, builds all pipelines that are to be part of the Association System.

No action was taken.

### **Past Due Report**

The past due for the month of March was \$ 6,180.81. Dan Hawkins reported to the board that he had sent out disconnect notices to members who were more than \$ 100 past due. Hawkins presented to the Board the list of past due accounts which showed that the Association has collected \$ 1,728.61 since the end of March. There are eight accounts that are more than \$ 100 past due and are presently shut off. Two of these homes are occupied.

Dan Hawkins said he believes the present practice of waiting until a delinquent account reaches unmanageable size before shutting off water is more of a burden on the member than if action is taken earlier. He said the by-laws provide for shut-off when an account is 60 days past due.

MOVED BY Klaseen

SECOND BY McPherson to establish a policy in which a member's water will be disconnected when their bill is 90 days or \$ 100 past due - which ever comes first, and there will be a \$ 20 disconnect fee and a \$ 30 reconnect fee that will have to be paid before their water is turned back on.

MOTION CARRIED no opposing votes.



**New Agreement with Cedaredge**

There was considerable discussion concerning the points made in the Outline of Proposed Solutions sent to the board.

Other possible solutions discussed were to negotiate a lease with Cedaredge or to build a separate filter plant.

The Board was in general agreement that a new contract with Cedaredge providing for increased USCDWUA ownership is the best policy to pursue. Dan Hawkins stressed that a new agreement must include provisions for shared responsibilities in the operation of the treatment plant and raw collection system.

**Property Tax**

Dan Hawkins reported that we are continuing work on tax exempt status for the four property sites that USCDWUA owns.

**Treatment Plant Project Cost**

Tabled for next meeting.

**Other**

There was a discussion about the Board Members receiving some compensation for time spent at board meetings. Compensation is not provided for in the by-laws and would need membership approval at the next annual meeting.

Future Board meetings will take place at 7:30 p.m. instead of 6:30 p.m.

**Meeting Adjourned at 9:45 p.m.**

Respectfully Submitted Dan A Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

May 11, 1998

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. Directors present were: Wayne McPherson, Herman Kline, Jerry Figueroa, Ellis Fritchman, John Hawkins, Bryan Klaseen and Kelly Peterson. Also present were Dan and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECOND BY Wayne McPherson to approve the minutes of the previous meeting as written and sent to the Board Members.

MOTION CARRIED with no opposing votes.

**Financial Report**

John Hawkins questioned the high cost of water treatment for April. Dan Hawkins explained that the cost per gallon charged to USCDWUA is figured by Cedaredge and there was a large purchase of chemicals that would be used throughout the year. John Hawkins would like to see a method developed to pro-rate the cost of such purchases for the year to compensate for the fact that the ratio of water use between USCDWUA and Cedaredge differ from month to month.

MOVED BY Wayne McPherson

SECOND BY Ellis Fritchman to approve the Financial Report

MOTION CARRIED no opposing votes.

**End of Month Report**

Dan Hawkins explained the End of Month report. Number of Stock - 698. Number of Members - 637. Past Due accounts - \$5,195.52. Pre Paid Accounts - \$3657.46. Over use Charged - \$ 631.47.

**System Usage Report**

Dan Hawkins explained the system usage report to the board. The report showed that there was two million gallons of water unaccounted for. Hawkins said that this was probably due to slow meters at many taps. The overflow at the little tank on Redlands Mesa wastes some water. Some water is used by Cedaredge taps. Hawkins does not believe that there is a major leak on the system.

**Filter Plant Project Cost Report**

Dan Hawkins reported that:

Total Project Cost	<u>\$982,851.00</u>
Cash paid by USCDWUA	<u>\$192,751.00</u>
Total Cash received by USCDWUA	<u>\$ 57,251.00</u>

These figures were somewhat lower than reported to the Town of Cedaredge. After all the bills came in they were not as high as Hawkins had expected them to be. The project included the million gallon tank, new 12 inch common line, filter plant and diversion box.

### **Construction Report**

Sorrento Heights subdivision: Hermanos Development (Jack Zimmerman - general manager) has agreed to having USCDWUA responsible for the construction of the pipeline for Sorrento Heights subdivision. Hosea Richard Excavating will be the contractor and will bill USCDWUA in turn USCDWUA will bill Hermanos Development.

CKS Minor subdivision (Jan Lloyd): This subdivision is on T Lane north of Cedaredge. USCDWUA will build 800 feet of four inch line extending west from an existing USCDWUA line to the CKS subdivision. There are three Cedaredge customers (Ken Myers, Bill Boyd and Clint Crosby ) in this area who are interested in joining USCDWUA. This project marks the beginning of USCDWUA's efforts to the straighten up the Cedaredge/USCDWUA service area problem. Dan Hawkins has received a very high bid from Aaron Wagner and has solicited bids from Hosea Richards and Buck Huff.

Current Creek: Brad Peterson is laying a four inch line from Harry Vaughan's driveway to Current Creek. This line will eventually replace the 1.5 inch line to R. Road.

Million gallon tank re-paint: Ute Engineer Leroy Black advised Cedaredge and USCDWUA to inspect the paint inside the tank before the end of the one year guarantee. There were a few problems and the contractor, Doughty Steel repainted the problem areas.

### **Potential taps on east side of Chinn Water Co**

Bud Perkins told Dan Hawkins that there is a possibility of lots begin sold on the east side of Chinn Water Co which is located North of S-25 Road East of Highway 65. Chinn Water Company gets their water from Orchard City and are not going to expand. USCDWUA has a 2 inch line on S-25 Road which would need to be extended to serve the sites.

### **Dealing with cases of multiple dwellings per tap.**

Dan Hawkins stated that he talked with Aaron Clay about this problem. Clay told him that this is a serious problem with all water companies in the area. Clay had advised that the Association's best remedy is to shut off a tap that is serving multiple dwellings.

Issues discussed by the board were:

The need to define "dwelling"

    Apartments - a building having a kitchen and/or bathroom - seasonal workers accommodations - guest houses

    These types of dwellings are not addressed in the By-laws

Proving that an individual does have more than one dwelling per tap.

Enforcing the rule.

When a member signs a membership application he agrees to abide by this regulation.

Hawkins presented a list of ten taps that are believed to be in violation. He said that

he would like to work on these one at a time. It is a job that can not be done all at once.

MOVED BY Wayne McPherson

SECOND BY Herman Kline that Dan Hawkins will talk face to face with members believed to be in violation of this regulation; if there is no action on the part of the member, Hawkins is to write a letter asking them to come before the Board of Directors to state their case; if they refuse, then their water must be disconnected.

MOTION CARRIED no opposing votes.

**Cedaredge Public Hearing:**

Cedaredge will be having a public hearing concerning water issues on Thursday May 14. Selena Pederson will moderate the meeting. Dan Hawkins plans to present USCDWUA's position on the service area problems to the Cedaredge citizens at this time. Hawkins will address the partnership and shared responsibilities between the two entities, the need for USCDWUA to obtain an increased share of the common system, and the need to redefine the service areas for each entity.

**TDS Telephone Bill**

Dan Hawkins reported that there was \$ 189.00 worth of fraudulent phone calls made on the Association phone. These calls were apparently made late a night from the a jack located in the telephone entry box outside the building. There was a discussion on security matters.

MOVED BY Kelly Peterson

SECOND BY Bryan Klaseen to put dead bolts on the outside doors.

MOTION CARRIED no opposing votes.

**Meeting Adjourned 10.00 p.m.**

Respectfully submitted Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co.Rd. 2535

June 8, 1998

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:40 p.m. Directors present were: Wayne McPherson, Herman Kline, Jerry Figueroa, Ellis Fritchman, John Hawkins, Bryan Klaseen and Kelly Peterson. Also present were Dan and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECOND BY Bryan Klaseen to approve the minutes as written and sent to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

John Hawkins had a question about the "Taxes and Fees" in the cash flow report. The "Vehicle Expense" and the "Taxes and Fees" items were not indented correctly.

MOVED BY John Hawkins

SECOND BY Ellis Fritchman to approve the Financial Report as corrected

MOTION CARRIED with no opposing votes.

**System Usage Report and End of Month Report**

Dan Hawkins discussed the reasons for the differences between the amount of gallons shown on the master meters and the total used by individual meters.

1. For April difference there was a leak on Redlands Mesa.
2. There is a hose near Dr. Dick Jones's place with water running to prevent rust in that area.
3. The small tank on Redlands Mesa overflows.
4. There is a small tank on Kelly Peterson's property that overflows
5. Many older individual meters are probably under-recording water use.

**Construction Report**

Sorrento Heights:

Jack Zimmerman sent an unsigned check for \$6,000.00 and an application in the name of someone other than Hermanos Development signed by Jack Zimmerman. Zimmerman instructed Dan Hawkins to discuss any problems with Hermanos lawyer Robert Tweedell. This application will be denied. Hawkins felt that there is no real problem in allowing Hermanos Development pay for a tap while having a prospective member fill out and sign an application form, thus avoiding a transfer from Hermanos to the new owner.

It was the general consensus of the board that if USCDWUA becomes aware of Hermanos Development selling parcels without purchasing a water tap, it is the responsibility of the Association to notify the County.

**CKS Minor Subdivision:**

The construction was done by USCDWUA by renting machinery from Benson Brothers. There is 900 feet of 4" line and two fire hydrants.

The three Cedaredge transfers are Clinton Crosby, William A. Boyd and Kenneth D. Myers. They will inform the Town of Cedaredge that they are now being served by USCDWUA.

**Currant Creek upgrade:**

The construction was done by Brad Peterson. There is 1760 feet of 4" line.

There are still problems delivering water to this area. Harry Vaughan called today reporting a possible leak in the new line.

**Stratman Brothers:**

Bryan Kissner did the construction on this project. There is 700 feet of 4" line. The cost of the pipe was included in his bid. The Association paid for the extra expense for an over sized pipe.

**Contract with Cedaredge**

Public meeting held on Thursday May 14, 1998:

Figuroa, Kline, Dan and John Hawkins attended this meeting. Figuroa stated that he did not believe that Cedaredge understands the problems that exist with their old line. The consensus of opinion from the board members who attended this meeting was that the problems of contamination because of leaks, the actual size of the pipe, the needs of Cedaredge for adequate water in case of a fire in the town were not presented properly.

It seemed that the mood of the people at this meeting was a resistance to growth, fear of high water rates and fear of losing control of their system. There is general distrust toward USCDWUA in the minds of many Cedaredge residents.

The Board feels that the Association can be of considerable help and support to Cedaredge. Unless Cedaredge can understand the scope of their own problems, USCDWUA has little chance of working with Cedaredge in the Association's attempt to protect its own future service needs and share a greater responsibility for the common system.

Work Session Scheduled for June 18, 1998 with the Trustees of Cedaredge:

There was discussion of what the USCDWUA agenda and position should be going into the work session. Points brought up included:

- What does the Association hope to achieve at this work session?
  - Practical Operation Guidelines
  - Define Service Territories



- Clear up the Cedaredge taps that are connected to Association lines and on the common line.
- What can not be done?
  - Any agreement on a purchase of a greater percentage of the system capacity
- What are the major problems?
  - By clearing up the Cedaredge taps with out gaining a greater percentage of the system capacity the Association gives up a bargaining chip.
  - The only leverage we have to gaining a greater percentage of the system capacity is that Cedaredge understands that they need the Association and that the Association has the resources to help them pay for their upcoming costs.
  - The Association needs Cedaredge. The costs and problems of a divorce would be enormous.

The board asked Dan Hawkins to prepare an agenda for the Cedaredge Committee and the USCDWUA Board prior to the meeting.

**Other**

Lee Gorsuch has offered the Association eight shares of Surface Creek Ditch and Reservoir water at \$9,000.00 a share.

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson that the Association buy eight shares of water from Lee Gorsuch and that Dan Hawkins will work out the best terms possible with Mr. Gorsuch.

MOTION CARRIED no opposing votes.

**Meeting Adjourned at 10:00 p.m.**

Respectfully Submitted Dan a. Hawkins

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co.Rd. 2535  
July 6, 1998  
Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:40 p.m. Directors present were: Ellis Fritchman, Wayne McPherson, Herman Kline, Jerry Figueroa, John Hawkins, Kelly Peterson. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECOND BY Ellis Fritchman to approve the minutes as written and sent to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

John Hawkins pointed out that on page 2 of the Financial Report that the item "Upper Surface Creek Water Shares" should read as "Eight Shares of Surface Creek Ditch and Reservoir"

MOVED BY Wayne McPherson

SECOND BY Herman Kline to accept the Financial Report as corrected.

MOTION CARRIED with no opposing votes.

Dan Hawkins presented Fiscal Year 1997 Financial Statements prepared by Michael E. Calhoun to the board.

**System Usage Report and End of Month Report**

Dan Hawkins said that the master meter was stuck and the figure used in the report is from the two meters downstream from the main tank.

**Meeting with Cedaredge Water Committee June 23, 1998**

Cedaredge representatives were Bruce Bertram, Selena Pederson, Steve Palmer and Dave Smith. Jerry Figueroa, Kelly Peterson, John Hawkins, Dan Hawkins and Helen Hawkins were present from the Association.

Past agreements made between the Association and the town of Cedaredge were studied and all the points made were agreed upon and understood by the members of this group.

The group went through the want list that Dan Hawkins presented. There was no opposition to the items except the purchase of a greater percentage of capacity of the Treatment Plant. It was decided that Bruce Bertram and Dan Hawkins work together on a draft of a new agreement between Cedaredge and the Association leaving out the ownership ratio question. The Cedaredge Water Committee will meet again in August.

There was more discussion by the Board Members about the Association's relationship with Cedaredge. The consensus remains that the Association should continue to work vigorously for a greater percentage in the capacity of the Treatment Plant and that a break away from

Cedaredge should be the last possible resort.

### **Purchase of Eight Shares of Surface Creek Ditch and Reservoir**

Dan Hawkins reported that the Association purchased Eight Shares of Surface Creek Ditch and Reservoir Water from Lee Gorsuch. The terms were \$ 36,000 paid on June 23, 1998; payments of \$ 12,000 a year at 7% interest beginning June 15, 1999. The Association can prepay any amount after December 31, 1998.

### **Robert Hartley Tap**

The Hartley's have abandoned their idea of connecting their homes. They plan to haul water to the second mobile home and serve it from a tank or cistern.

### **Margaret Fleming Tap**

Dan Hawkins explained that the Fleming tap is past due and that there are two mobile homes parked on the property. Hawkins stated that he has turned off and locked the meter to the property

MOVED BY Wayne McPherson

SECOND BY Herman Kline to keep the lock on the meter until the second mobile home is removed and the account is paid in full.

MOTION CARRIED with no opposing votes.

### **Construction Report**

Dickes - Grunkemeyer - approximately 1000 feet of 2" line was installed south from P Road and 2550 Road. The Association has paid Eric Fritchman for the installation to be reimbursed by Bill Dickes and Dennis Grunkemeyer.

A fire hydrant was installed at T-75 and 2475 Road paid for by Nancy Dillon  
The Association has installed five hydrants this year.

### **Other**

Dan Hawkins reported that there was heavy usage on Redlands Mesa the week before July Fourth and that he sent out a notification of restriction for Redlands Mesa Users.

Hawkins stated that 7,600 feet of steel pipe is needed to fix the problems on Redlands Mesa. The estimated cost is \$ 100,000. The Association has about \$ 82,000 on hand to purchase steel pipe.

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson to order pipe to go toward Redlands Mesa along the bottom of Dry Creek. The manager is instructed to use his discretion in pipe size, and to utilize trucking in the most practical way.

MOTION CARRIED with no opposing votes.

**Meeting Adjourned at 10:00 p.m.**

Respectfully Submitted Dan A. Hawkins

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co.Rd. 2535  
August 10, 1998  
Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. Board members present were: Herman Kline, Ellis Fritchman, John Hawkins, Wayne McPherson, Bryan Klaseen and Jerry Figueroa. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

Dan Hawkins asked for a correction to be made on page 2 under the discussion of Redlands Mesa pipeline. Instead of reading, "Hawkins stated that 7,600 feet of 8" steel pipe is needed to fix the problems.." it should read, "Hawkins stated that 7,600 feet of steel pipe is needed to fix the problems.."

MOVED BY Herman Kline

SECOND BY Bryan Klaseen to accept the minutes as corrected.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY John Hawkins

SECOND BY Wayne McPherson to accept the Financial Report.

MOTION CARRIED with no opposing votes.

**System Usage Report and End of Month Data**

The System Usage report and End of Month Data were reviewed.

**Subdivision Report**

Jess Marshall Subdivision: N Road on the East end of Redlands Mesa.

Jess Marshall, owner of the Marshall Subdivision, is starting to install utilities. The subdivision plat calls for the use of four "fill hydrants." Dan Hawkins and Jess Marshall have asked the Delta County Commissioners to consider using three full service fire hydrants instead. If Commissioners insist on four hydrants, Jess Marshall will pay the cost for all four full service hydrants. Jess Marshall is installing a 30,000 gallon cistern to be used for fire protection. The Association can install a meter on the fill line to the cistern if necessary. The Subdivision Home Owner's Association will maintain the cistern.

Norton's Soaring Eagle Subdivision: Applicant Patsy Ruth Lindsey: Intersection of R road and 2425 Drive on the edge of Cedar Mesa:

The road right-of-way to the subdivision is close to Ross Stanfield's house and cuts between his house and his outbuildings. To avoid this awkward right-of-way the developers have apparently devised a plan to build a new road to the subdivision which would cross the Association pipeline in such a way that it would be necessary to bury the line 15 feet deep. Dan Hawkins would like the Delta County Planning Commission to be aware of this road plan and the difficulties it presents to USCDWUA.

MOVED BY Bryan Klaseen  
SECOND BY Herman Kline to have Dan Hawkins write a letter to the Delta County  
Planning Commission stating the Association's objections to the proposed road plan.  
MOTION CARRIED no opposing votes.

Schmidt-Scott Minor Subdivision: Applicant John A. Schmidt: 2467 - S 25 Road  
The applicant intends to subdivide approximately 20 acres into two lots of 10 acres each.  
Hawkins reported that lot 1 of the split already has a tap and there would be no problem  
providing water for lot 2.

MOVED BY John Hawkins  
SECOND BY Bryan Klaseen to provide a water tap for lot 2 of Schmidt-Scott  
Subdivision.  
MOTION CARRIED no opposing votes.

**Redlands Mesa Pipeline**

Dan Hawkins reported that the Association must order the pipe from Northwest Pipe for  
the Redlands Mesa project this week in order to begin the project this year. The cost will run  
between sixty and seventy thousand dollars. The Association will be billed for it in October.

**Meeting Adjourned 9:15 p.m.**

Respectfully Submitted Dan A. Hawkins

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co.Rd. 2535  
September 14, 1998  
Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:40 p.m. Board members present were Jerry Figueroa, Herman Kline, Bryan Klaseen, John Hawkins and Kelly Peterson. Also present were Edward and Shirley Stewart, Mark Welsh, Dan Hawkins and Helen Hawkins.

**Minutes**

Dan Hawkins reported that he wrote a letter to the Delta County Planning Commission expressing the Association's objection to the Soaring Eagle Subdivision's proposed road and has not received any feedback.

MOVED BY Herman Kline

SECOND BY Bryan Klaseen to accept the Minutes as written and sent to the Board Members.

MOTION CARRIED no opposing votes.

**Financial Report**

MOVED BY Bryan Klaseen

SECOND BY Kelly Peterson to accept the Financial Report.

MOTION CARRIED no opposing votes

**System Usage Report and End of Month Data**

Dan Hawkins pointed out that the system usage as measured by the master meters is less than the previous month because of a leak that was repaired on the west leg of the main line.

**Subdivision Report**

Marshall Subdivision: N Road on the east end Redlands Mesa.

Dan Hawkins said that Delta County Planner, Phil Sieber has accepted the proposal to use three full service fire hydrants on the Marshall Subdivision. The proposal will be recommended by the planning department to the County Commissioners for approval. Hawkins said that materials have been delivered to the subdivision and that Jess Marshall is working on the pipeline installation.

Schmidt/Scott Subdivision: Approximately a quarter of a mile north of S-25 and a half a mile East of 2425 Dr.

Dan Hawkins said it appears the Subdivision will probably not take place. The owners are attempting a court ordered split. However Mr. Schmidt is interested giving USCDWUA an easement running east to west along the proposed split line. Mr. Schmidt would be willing to install the water line. USCDWUA would pay for over sizing the pipe. Hawkins said he believes this would be desirable, both as a way to serve the proposed north lot of the split, and to serve future growth to the west of the Schmidt/Scott parcels.



MOVED BY Kelly Peterson

SECOND BY Bryan Klaseen to have Dan Hawkins pursue the possibility of obtaining an easement from Mr. Schmidt.

MOTION CARRIED no opposing votes.

Sorrento Heights: Dan Hawkins reported that Jack Zimmerman has purchased six water taps for Sorrento Heights. Although the development of the subdivision is not proceeding exactly as forecast, Hawkins believes that Zimmerman is within the agreement made with Delta County and USCDWUA. The consensus of the board was that as long as Zimmerman owns at least three water taps in excess of the number of lots developed and sold, he is following the intent of the agreement.

**Edward Stewart pipeline:**

The Stewart property is a small bench off the south west end of Redlands Mesa. The Stewart tap is served through a dolo system. In 1990 the Association replaced 3000 feet starting at the top of Redlands Mesa to the bottom of Redlands Mesa. The section which is left, approximately 3000 more feet, is no longer working and needs replacing.

MOVED BY John Hawkins

SECOND BY Herman Kline that the Association replace the remainder of the pipeline to Stewart's house. The Association will furnish the pipe, supervise the installation and make the connections. Ed Stewart will do the excavating and installing the pipe.

MOTION CARRIED with no opposing votes.

**Michael Warner - Charles Parker**

Michael Warner sent a letter, dated August 11, 1998, informing the Association of construction taking place at Charles Parker's property at 1778-2550 Road. He included a list of requirements for the Association in the event that a pipeline is extended across Warner's property to Parker's building site. The only requirement that the board found objectionable was requirement # 2: "Once the trench is open and the water pipe installed, the subsurface rocks must be returned to the trench first and the top soil restored to its natural state." The board objected to the idea of putting rocks back into the trench. The Association will endeavor to put subsurface material back to the trench first and put topsoil on top.

Dan Hawkins stated that although the letter gives the impression that Warner does not want Hosea Richards Excavating to be part of any construction; that in fact is not the case. He also said that Charles Parker has not yet approached the Association to ask for water service.

**Charles Gilman's Request For Pipeline Extension**

Charles and Marilee Gilman have requested that USCDWUA install approximately 1,800 feet of pipeline from Ray Penland's line on O Road and 2700 Road to the north in order to serve Gilman's property. The property begins approximately 1/4 mile north of O Road on the east side of 2700 Road. A Letter of request has been submitted to USCDWUA and distributed to the board members prior to the meeting. Mark Welsh of Town and Country Realty was at the meeting to discuss the request on behalf of the Gilmans.

During discussion, the following points emerged:

- The John Benjamin property is north of Gilman's property.
- Benjamin has sold his property. The names of the new owners are unknown.
- The owners of the Benjamin property may drill a well. Mark Welsh wants to convince them to purchase a water tap
- The Association prefers easements on private property to county road utility permits whenever possible.
- Ray Penland may be willing to grant an easement on the east side of his property along 2700 Drive, possibly in exchange for a fire hydrant
- There are deed restrictions on both the Gilman and Benjamin properties prohibiting the building of more than two dwellings on either lots.

Jerry Figueroa questioned the reasoning why the Association should bear the cost of building the pipeline in question when in many other cases i.e., Sorrento Heights, Mike Warner and other developers were required to pay for the entire cost of their pipeline.

John Hawkins explained that the Gilman pipeline will be of benefit to the Association as it will be part a second major pipe line planned to serve Redlands Mesa.

There was general discussion regarding the role of the Association in constructing main lines, and whether a lack of coherent policy may result in treating some members different from others. John Hawkins said he felt the board needs to judge each case according to the cost and benefit to the Association, even though some individuals may feel they are unfairly treated.

Dan Hawkins reported that research in the minutes showed that John Benjamin and Charles Gilman have come before the Board twice before to ask for a pipeline to be built by the Association to serve the property in question. On December 3, 1992 the board agreed to install the pipeline if four taps had been purchased. On February 24, 1993 that plan had been scrapped, in favor of just one or two taps. The Board agreed that if the property owner purchases just one membership, he will pay the full cost of the line except for over sizing required by the Association. If he purchases two memberships the Association will apply one membership fee to the cost of the line.

It was generally agreed that the present request from the Gilmans closely resembles the one in 1993.

MOVED BY John Hawkins

SECOND BY Kelly Peterson that within 90 days from September 14, 1998:

1. If Charles Gilman purchases one tap for his property located north of O Road on 2700 Drive. Gilman will pay for the entire cost of the pipeline installation to his property except for the extra cost of over sizing the pipe.

2. If two taps are purchased USCDWUA will contribute \$ 6,000.00 to the cost of installing an oversize pipeline to the north end of Gilman's property. Any excess cost over and above the \$ 6000 00 shall be borne equally by Gilman and the property owner to the north of Gilman.

In either event, Charles Gilman or his successor will provide a pipeline easement for Association use, to be obtained on private property on the east side of County Road 2700 extending from O Road to the north boundary of the property currently owned by Ray Penland.

MOTION CARRIED with no opposing votes.

Dan Hawkins was instructed to draw up a letter of agreement and submit it to the Gilmans, with a copy to Mark Welsh.

**Water Supply Status Report:**

Dan Hawkins presented a Summary of Water Resources. The Association owns shares in, Alfalfa Ditch, Surface Creek Ditch & Reservoir Co., Park Reservoir Co., Leon Lake Ditch & Reservoir Co., and Cedar Mesa Ditch and Reservoir Co.

Dan Hawkins said that very little, if any of the Association's stored water has been used this year. He asked the board if the Association should turn some of the excess water back to be rented. Bryan Klaseen suggested that the Association look in to this option early next year when demand for rented water is likely to be higher.

MOVED BY John Hawkins

SECOND BY Herman Kline to authorize the manager to make the Associations excess water available to the Grand Mesa Water Users for rent.

MOTION CARRIED no opposing votes.

**Redlands Mesa Pipe Order**

Dan Hawkins reported that the steel pipe for the new Redlands Mesa supply pipeline will be delivered around November 1, and will cost about \$70,000.

Hawkins also said he intends to leave the existing pipeline undisturbed during construction, to prevent disruptions in service. He said he plans to leave the old line in place and active after the new line is finished, but disconnect it from the high-pressure Redlands supply in order to serve the existing taps in the Dry Creek area at reduced pressure.

**Meeting Adjourned at 10.30 p.m.**

Respectfully Submitted Dan A. Hawkins

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co.Rd. 2535  
October 12, 1998  
Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. Board Members present were Jerry Figueroa, Bryan Klaseen, Herman Kline, John Hawkins, Kelly Peterson, Ellis Fritchman. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECOND BY Bryan Klaseen to accept the minutes as written and sent to the Board Members.

MOTION CARRIED no opposing votes.

**Financial Report**

Dan Hawkins presented a corrected August 1998 Cash Flow Report, explaining that an August deposit had not been posted for that month.

MOVED BY Bryan Klaseen

SECOND BY Ellis Fritchman to accept the August 1998 Cash Flow Report as corrected.

MOTION CARRIED no opposing votes.

Dan Hawkins presented the September 1998 Cash Flow Report.

MOVED BY Herman Kline

SECOND BY John Hawkins to accept the September 1998 Cash Flow Report as written and sent to the Board Members.

MOTION CARRIED no opposing votes.

Figueroa asked Dan Hawkins if the Installation Fee of \$ 200.00 covers the actual cost of installing a tap. After some discussion it became apparent that the \$ 200.00 does not quite cover the meter, meter pit and other materials and does not cover the labor of installing a tap.

MOVED BY Bryan Klaseen

SECOND BY Kelly Peterson to increase the Installation Fee to \$ 300.00 effective December 1, 1998.

MOTION CARRIED no opposing votes.

The Board instructed Dan Hawkins to offer current stockholders who have not yet installed their taps a chance to pay \$ 200.00 before December 1.

**Subdivision Report**

Winrock Minor - 1842 Co.Rd. 2550 Cedaredge. This is a family split for Rock Keim and his father Ron Keim. Ron Keim has purchased a tap which has been installed.

### **Construction Report**

Marshall Subdivision is ready for water service. A bill of \$7,320.28 had been sent to Jess Marshall for Hydrants and Pipeline construction.

Edward Stewart pipeline is located on Coffee Mesa. The Association has purchased 2" pipe and has delivered it. Mr. Stewart is going to do the excavation and installation.

A fire hydrant for Dale Hartman and his neighbors on 2425 Drive - near Rolland Shepherd on the Hoot Owl Valley line was installed October 9, 1998.

### **Multiple Dwellings Per Tap Status**

Dean Elder has removed one trailer house and is installing new trailer house. His account is past due so the meter is still shut off.

Carma Newton bought a tap but has built a new house on her property. She still owns a small home that is being served by the Association without a tap.

Cloyd Wall has two mobile homes. John has talked with Wall about the situation. Wall claims to be hauling water. Dan has inspected the home. A cistern and pump have been installed, but he can not see where the second home has been disconnected from USCDWUA and is uneasy with it. The consensus of the Board is that we have done what we can do about the situation but will keep an eye on it.

The Robert Hartley situation is resolved. The second trailer house has been moved away for the homesite and a plastic tank is being used.

### **Financial Position/Redlands Project**

Dan Hawkins reported that the steel pipe of Northwest Pipe will be delivered October 28. The Association has \$ 151,550 in the reserve accounts.

The Consensus of the Board is that there is enough money to complete the Redlands Mesa Project and the Association should go as far with the pipeline as the weather permits.


### **Other**

#### **Chemical Spill**

Dan Hawkins presented to the Board the report of the chemical spill which took place on September 17, 1998 at the Water Treatment Plant. Polymer was accidentally spilled and released into Milk Creek killing a number of fish.

The Department of Wildlife will waive a fine of as much as \$ 35,000, if the Town of Cedaredge and USCDWUA take steps to prevent the reoccurrence of such an accident.

Leroy Black will engineer work to be done on the backwash containment pond and a cement dyke around the chemicals in the building.



The pond will be cleaned, enlarged and baffles put into place. The total cost of improvements is unknown, but may be as much as \$ 25,000 of which the Association would pay its 20% share.

**November Meeting Schedule**

The Board will meet November 9, 1998 for its regular monthly board meeting and again on Wednesday December 2, 1998 to discuss the budget for Fiscal Year 1999.

**Time Change**

The Board decided to change the time of the Board Meetings to 6:30 p.m.

**Meeting Adjourned 9:40 p.m.**

Respectfully Submitted *Dan A. Hawkins*



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

November 9, 1998

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:40 p.m. at Association headquarters. Board members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson, Ellis Fritchman, and Bryan Klaseen. Also present was manager Dan Hawkins.

**Minutes**

MOVED BY Herman Kline,

SECOND BY Kelly Peterson to accept the minutes of the previous meeting as written and send to the Board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins presented the cash flow report for October 1998.

MOVED BY John Hawkins,

SECOND BY Herman Kline to accept the financial report.

MOTION CARRIED with no opposing votes.

**Subdivision Report**

Dan Hawkins reported that William and Amy Spiker have purchased a tap on N Road, Redlands Mesa. There was a family split of property owned by Amy Spiker's father John Braddy, which technically makes a subdivision. Hawkins said subdivision taps are generally considered by the Board, and asked if there was any objection to the tap. There was none.

Hawkins reported that Jess Marshall has paid for all pipeline materials billed to him for the Marshall Subdivision on Redlands Mesa. The water system is complete and pressurized in the subdivision, but the 30,000 gallon cistern intended for fire protection has not yet been installed.

**Construction Report**

Dan Hawkins said Ed Stewart is almost done with installation of 3,000 feet of 2" PVC line to his home off the southwest side of Redlands Mesa. The line should be placed in service this month.

Hawkins said construction of the new Redlands Mesa supply line has begun. The steel pipe has been delivered and paid for. Peterson Excavating is doing the installation. The 8" section of the line will be done first, starting from the foot of Redlands, and running north and west along 2700 Road and Q Road about 5000 feet to the point of connection with the existing line. The 6" section up the side of Redlands will then be completed as far as weather permits. Poor weather has slowed the first few days of construction, but it is expected that at least the 8" section can be completed.

**Annual Meeting Agenda**

Directors whose terms expire this year are Gerald Figueroa - Cedar Mesa, Herman Kline - Surface Creek, and John Hawkins - Redlands Mesa. All three said they are willing to stand for re-election at the annual meeting.

Dan Hawkins asked if the board was considering any issue which would involve a change in by-laws, and would therefore need to be announced in the call of the meeting. Jerry Figueroa said that he had previously considered a change which would allow for compensation paid to Directors, but had reconsidered, and believed it should be a public service position.

No other directors proposed anything specific for the annual meeting agenda.

Meeting adjourned at 8:45 p.m.

Respectfully Submitted     *Dan A. Hawkins*

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
1717 Co.Rd. 2535  
December 2, 1998  
Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:45 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, Ellis Fritchman, Kelly Peterson, John Hawkins, Bryan Klaseen and Wayne McPherson. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline  
SECOND BY John Hawkins to accept the minutes of the previous meeting as written and sent to the Board Members.  
MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins presented the cash flow report for November 1998.

MOVED BY John Hawkins  
SECOND BY Bryan Klaseen to accept the November 1998 Cash Flow Report.  
MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins reported that the water use for November was 5.7 million gallons.

**Raymond Boyle Tap**

Dan Hawkins reported on a new proposal from Raymond Boyle, of Arvada, Co. Boyle owns property north of P-50 Lane, east of 2900 Road, about 1000 feet north of the small tank on Redlands Mesa, at a higher elevation than the tank.

Boyle had come before the Board on October 13, 1997 requesting a tap to be installed at an elevation where the pressure is low but still positive. He intended to install a cistern with a pump and pressure tank to provide water to his building site. At that time the Board made a commitment to provide a water tap for Boyle contingent on the approval by the Board of Boyle's design for his own pressure system.

On November 13, 1998 the Association received a membership application, an undated check for \$6,200 and a letter from Boyle explaining that he was unable to acquire the necessary easements to carry out his proposed plan. He now requests that a tap be issued at the tank site, and that he be able to place a pump on Association property to pump water to his building site. He has stated that there is a utility easement on property owned by Don Pepper which he would use to run his water line to his property. Hawkins told Boyle that his application would be held

until the Board could consider the proposal.

Several issues arose during discussion of the proposal. There was concern about the ability of the Redlands system to serve more taps at the higher elevations. Dan Hawkins said the new Redlands supply line presently under construction would eliminate the problems previously experienced there, but that water still cannot be pushed any higher than the small Redlands tank, due to excessive pressure buildup at lower elevations.

There was extensive discussion whether the Association should become involved in any pumping operations. It was pointed out that there is another parcel north of Boyle's property which may also need to be served. If Boyle's pumping system is to be private, then conceivably a second private system would have to be authorized in the future for that other parcel.

Dan Hawkins said his calculations showed that the electrical cost of pumping 10,000 gallons per month to Boyle's property would be between one and two dollars per month at current electricity rates. He said the most logical way to accommodate a pump at the tank site would be to remodel the existing valve vault to serve as a pump house. It was brought up that, is Boyle is to use Association property and facilities for a pump station, perhaps rent should be charged.

There was discussion of the possible need for a future tank at an elevation higher than the present small Redlands tank. If so, a pump at the present tank could be used to fill the new one.

MOVED BY Bryan Klaseen

SECOND BY John Hawkins that USCDWUA commit a tap for Raymond Boyle and allow him to use Association property for a pumping station, providing that he pays all cost of equipment, electrical power installation, and pipeline construction. If the existing valve box is used as a pump house, Boyle is to pay the cost of necessary remodeling. USCDWUA will have the option of over sizing the pipeline. Boyle is to provide a pipeline easement for USCDWUA through his property to the north parcel. In the event that other similar taps are sold, USCDWUA has the option of assuming ownership and operation of the pumping system and the pipeline. Until that time, ownership and operating responsibility of the pumping system and pipeline shall be by Boyle.

MOTION CARRIED with no opposing votes.

### **Construction Report**

Dan Hawkins reported that the Ed Stewart line is finished and providing water to the Stewarts.

#### **Redlands Mesa Line:**

Hawkins reported that the 8-inch pipe and half of the 6 inch pipe is in place. Peterson Excavating does not want to install the pipe on the side of the hill in the winter. The options are to stop construction at this time or to install the remaining 6-inch pipe on top of Redlands Mesa, working from 2800 Road toward the edge of the mesa. The steep hillside would then be finished in the springtime. This would require ordering 1500 feet of 6-inch pipe to complete the project in the spring.

The consensus of the Board was to continue with the construction as long as weather permits, and to order pipe for the hillside.

**Budget for 1999**

Dan Hawkins presented the Cash Flow Report for 1998 and the Budget for 1999.

Cash Flow Report: The Board asked Hawkins to break out figures for the Distribution System by project.

Budget: The Board asked Hawkins to break out the Consultant Fee from the Legal and Professional Fees. The Board felt that Distribution System Construction should be increased to \$110,000.

MOVED BY Kelly Peterson

SECOND BY Herman Kline to accept the Budget as amended.

MOTION CARRIED with no opposing votes.

Meeting adjourned at 10:00 p.m.

Respectfully Submitted



Dan A. Hawkins  
Secretary-Treasurer

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION

Minutes of Board Meeting  
December 8, 1998

The meeting was called to order by Jerry Figueroa at 10:00 p.m. immediately following the annual Stockholders Meeting at the Cedaredge Community Center. The primary purpose of the meeting was to elect officers of the board and appoint a Secretary-Treasurer.

MOVED BY Kelly Peterson

SECOND BY Wayne McPherson to retain the present organization of the Board, which is: President - Gerald Figueroa, Vice President - Herman Kline.

MOTION CARRIED with no opposing votes.

MOVED BY Wayne McPherson

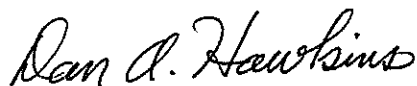
SECOND BY Bryan Klaseen to re-appoint Dan Hawkins as Secretary-Treasurer.

MOTION CARRIED with no opposing votes.

Dan Hawkins presented a letter drafted to Raymond Boyle stating the Association's position regarding pumped water to Boyle's property on upper Redlands Mesa. The Board reviewed the letter and suggested some minor revisions. There was no objection to sending the letter to Mr. Boyle.

Meeting adjourned at 10:15 p.m.

Respectfully Submitted,



Dan A. Hawkins  
Secretary-Treasurer



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

January 11, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:45 p.m. at Association headquarters. Board members present were Jerry Figueroa, Herman Kline, Bryan Klaseen, John Hawkins, Ellis Fritchman, Kelly Peterson Also present were Dan Hawkins, Helen Hawkins and Steve Burgess.

**Minutes**

MOVED BY Wayne McPherson.

SECOND BY Herman Kline to accept the minutes of the Board of Directors meetings held on December 2, 1998 and December 8, 1998 as written and sent to the Directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY Ellis Fritchman.

SECOND BY Wayne McPherson to accept the financial report.

MOTION CARRIED with no opposing votes.

**Bud Burgess Request**

Steve Burgess, representing Bud Burgess stated that Bud is purchasing the property at 1730 Co.Dr. 2425 from Fred Horn. There is an uninstalled tap on the Horn property. Burgess would like to move that tap from the Horn property to his property on the north side of "N" Road at the old County gravel pit overlooking Harts Basin.

Ellis Fritchman asked if taps had been moved before. John Hawkins explained that it is written in the Association by-laws that this cannot be done except in a hardship case, as determined by the Board. He said he could remember an example where there had been a death in the family and the survivor was handicapped and the Board had approved moving the tap.

Kelly Peterson explained that the need to keep taps where they have been assigned is important in order to plan future growth. McPherson and Kline expressed the concern to be a consistent as possible in this matter. Figueroa stated that this policy was placed in the by-laws to maintain consistency and planning.

MOVED BY John Hawkins

SECOND BY Herman Kline to deny Burgess request to move the Fred Horn tap to his property.

MOTION CARRIED with no opposing votes.

**Construction Report**

Redlands Mesa Pipeline: Dan Hawkins reported that all the pipe purchased for the project

is installed. The Construction was done by Peterson Excavating, who charged by the hour. Dan Hawkins stated that the installation cost per foot averaged \$ 4.25.

It will take 1,500 additional feet of 6" pipe to finish the line up the side of Redlands Mesa. Hawkins said the pipe is ordered, and will be delivered in late March. This batch of pipe will be in 20 foot lengths rather than 40 foot, to make it easier to handle on the steep slope. Hawkins said this will add slightly to the cost of the pipe, but will be necessary to make the installation possible. The 8" portion of the new line was pressure tested. There was a failure of one O-ring joint, which Peterson Excavating repaired under warranty. There were leaks in two flanged assemblies, where valves and fittings are bolted together. The leaks were found to be caused by rubber gaskets which were forced out of position by the high water pressure. Hawkins said he located some industrial-type gaskets that are rated for over 700 psi, and decided to replace all gaskets in the flanged assemblies. The assemblies were dug up and brought into the shop for rebuilding with the new gaskets, then re-installed into the pipeline. Also, there had been the failure of one valve to shut off, due to a fracture in the gate. The valve supplier, Dana Kepner, is providing a new gate under warranty..

After the repairs, the pipe was under pressure for ten days with no apparent leaks.

### **Raw Water System**

Dan Hawkins had prepared a memorandum for the board members outlining the history of legal actions which established Points of Diversion on Grand Mesa for domestic water of USCDWUA and the Town of Cedaredge (attached). This memorandum and a map of the raw water collection system were discussed at length.

Figueroa asked Dan Hawkins what the goals of the Association should be this summer in regard to these points of diversion. Hawkins replied that few people are familiar with the raw water system and he would like the Board members to take one or two field trips to all the springs and intakes. He said that Town of Cedaredge employees also need to be educated about the raw water system, and that Water Commissioner Jim Boyd has expressed an interest in touring the system. Hawkins said there needs to be input from knowledgeable people as to how well the springs are functioning, and what could be done to improve them.

### **Other Business**

Dan Hawkins informed the Board that DMEA is holding a "Y2K" forum February 11. There was some discussion about the possibility of problems to the water system in the event of electrical power failure. Hawkins said plans to attend the meeting.

**Meeting Adjourned 9:15 p.m.**

Respectfully Submitted  
*Dan A. Hawkins*

Dan A. Hawkins

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION

**MEMORANDUM**

**DATE:** 1-11-99

**TO:** Board of Directors

**FROM:** Dan Hawkins

**SUBJECT:** Points of Diversion for domestic water, USCDWUA and Town of Cedaredge

With this memo and the attached map, I am providing just about everything I know about the raw water collection system. Most of the information is from personal observation on several trips to the mountain. Also, from conversations with the water commissioner, past and present Town employees, and study of the court actions.

Some points drawn on the map are based on the legal descriptions from the court actions which established the points of diversion. Others were drawn where I know them to be located. The points colored in purple are connected to the pipeline and capable of providing water. Others have not been found, and may not have been developed. The points designated 7, A7, C1, and C2 are stream intakes. The rest are springs.

The raw water pipeline is 12" in diameter from the treatment plant upstream to the point where the Markott and Cedar Mesa legs join. From there, each leg is 8". The pipeline material is almost all steel, except for the 2000 feet or so running to the Markott Creek Bypass ditch intake, which is 8" PVC.

The Markott Creek Bypass intake has never been used since the summer of the Great Algae Stink (1988?). The bad taste and odor in that stream is blamed on the Y&S reservoir. Points of diversion have been granted for the Calumet and Slide Rock water which are upstream from the bypass ditch, and therefore have better quality water.

There have been five court actions pertaining to the raw water intake system. The judgement documents total about 60 pages. The following is a summary of how I interpret them.

**Civil Action No. 4634** in District Court, Delta County April 15, 1959. An application for alternate points of diversion made by three entities:

Town of Cedaredge, 20 shares Alfalfa Ditch (1 cfs of #1 priority)

Cedaredge Cemetery Association, 1 share Alfalfa Ditch (.05 cfs of #1 priority)

USCDWUA, 10 shares Alfalfa Ditch (0.5 cfs of #1 priority)

Total 31 shares (1.55 cfs of #1) for the three entities.

**Points of the ruling:**

1. Established points of diversion 1 through 7 in the Deserted Park and Cedar Mesa Reservoir areas. The points of diversion are usable by all three entities.
2. Designated the 10 shares of USCDWUA water as domestic and livestock, as well as irrigation.
3. Instructed the Water Commissioner to require that water from springs 1, 2, and 3 be released to Deserted Park reservoir as necessary to satisfy its fill decree, if requested by the reservoir owner.

**Civil Action No. 5338** in District Court, Delta County August 20, 1965. An application for more alternate points of diversion made by three entities:

Town of Cedaredge, 40 shares Alfalfa Ditch, consisting of their original 20 shares and an additional 20 shares purchased from Leon Jordan, known as the "Jordan water" Total 2 cfs  
Cedaredge Cemetery Association, 1 share Alfalfa Ditch  
USCDWUA 10 shares Alfalfa Ditch  
Total 51 shares (2.55 cfs)

**Points of the ruling:**

1. Established additional points of diversion A1 through A7 on Beaver Creek, A9 on Sawmill Mountain, A12 below Cedar Mesa Reservoir, and A15 above Bonita Reservoir.
2. Allowed Cedaredge to take its original 1 cfs from points 1 through 7 and/or A1 through A15, according to a plan which linked alternate points together in pairs and specified how much water could be taken from each pair.
3. Allowed Cedaredge to take the Jordan water from points A1 through A6, and A9, according to a plan which specified how much water could be taken from each point.
4. Restricted USCDWUA and the Cemetery to the original 7 points of diversion in the 1959 judgment.
5. Placed many restrictions on the springs in the Beaver Creek area to protect filling rights of the reservoirs in that area.
6. Placed restrictions on spring A15 at Bonita Reservoir to protect filling right of the reservoir.

The requirements of this judgment were complex, and probably difficult to administer, so it is not surprising that a new application was made three years later.

**Civil Action No. C-6040** in District Court, Delta County October 19, 1967. An Application for additional points of diversion by Cedaredge and USCDWUA. All water shares are the same as in the 1964 action.


**Points of the ruling:**

1. Eliminated the spring A7 near Zig Zag Reservoir, and designated a new point A7 as a stream intake between Hale and Trickle Reservoirs.
2. Revised the wording which allowed the Cedaredge Jordan water to be taken from the Beaver Creek area, to make the restrictions easier to understand. Also, the restrictions seem to be tougher than in the 1964 judgement.
3. Allowed Cedaredge to take the 20 shares of Jordan water at the headgates of the Trickle Ditch, the Forrest Ditch, and/or the Weir and Johnson Ditch on a rental basis, or for reservoir exchange.
3. Seems to say that USCDWUA and Cedaredge points of diversion are all in common, eliminating the part of the 1964 judgement which restricted USCDWUA to the original 7 points of diversion.

**Case No. W3487**, in District Court, Water Division, June 21, 1979. An application by Town of Cedaredge for an additional point of diversion, and to change the character of certain reservoir water to municipal/domestic use.

**Points of the ruling:**

1. Established a stream intake (C1) on the Markott Creek Bypass Ditch.

- 
2. Changed stored water from the Calumet, Slide Rock, and Little Giant #2 reservoirs to municipal/domestic use.
  3. Established points of diversion for Calumet and Slide Rock water which are near the reservoirs, above the Markott Bypass ditch.

**Case No. 91CW7** in District Court, Water division, October 21, 1992. An application by Town of Cedaredge for an additional point of diversion and supplemental use. The Town had purchased an additional 15 shares of Alfalfa Ditch (.75 cfs), known as the "Lee water" which went with the golf course property.. Town owns 2.75 cfs of #1, USCDWUA .5 cfs, total 3.25 cfs.

**Points of the judgement:**

1. Established a stream intake (C2) on Surface Creek downstream from Park Reservoir.
2. Allowed the use of C1 and C2 to divert the Lee water.
3. Allowed a supplemental use of the Lee water for domestic and municipal purposes.
4. Allowed a supplemental use of water flowing in the domestic collection system for hydroelectric generation.

All the court proceedings have allowed the Town and USCDWUA to retain the Alfalfa Ditch headgate as an alternate point of diversion for #1 priority water. The Town has also been granted several additional ditch headgates as alternate points of diversion for their portion of #1.

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

February 15, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:35 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, Bryan Klaseen, John Hawkins, Ellis Fritchman, Kelly Peterson. Also present were Dan Hawkins, Helen Hawkins, Bud Burgess, Tom Gray, Troy Gray, Don Fick and Barbara Fick

**Minutes**

MOVED BY Herman Kline.

SECOND BY Bryan Klaseen to accept the minutes of the Board of Directors meetings held on January 11, 1998 as written and sent to the Directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins pointed out several items on the financial report:

- Prepaid accounts were higher than the past due accounts due in part to the stricter collection of past due accounts, and the practice of some members to pay a year in advance in January.

-The insurance premium on the building and vehicles was incorrect and we can expect a refund.

-We can expect a change of rates on Colorado Compensation insurance due to yearly updated Audit Report.

-The final payment has been made to Kenneth Harfst for the purchase of Cedar Mesa shares

MOVED BY John Hawkins

SECOND BY Wayne McPherson to accept the Financial Report

MOTION CARRIED with no opposing votes.

**End of Month Report**

The End of Month Report was briefly discussed. Dan Hawkins reported that there have been two additional membership purchases since the first February.

**Don Elliot Minor Subdivision**

Dan Hawkins requested that the Board ratify a letter he wrote to the Delta Planning Commission stating that a water tap would be available for Don Elliot provided that he gives USCDWUA an easement through his property.



MOVED BY Bryan Klaseen

SECOND BY Kelly Peterson to ratify a commitment to approve a water tap for Don Elliot as written to the Delta County Planning Commission and to Don Elliot.

MOTION CARRIED with no opposing votes

Tom Gray then addressed the Board, stating the he and his wife Troy Gray, Don Fick and Barbara Fick are neighbors of Don Elliot and are interested in installing a pipeline from the Elliot property eastward to the Gray property. Mr. and Mrs. Fick already own a water tap but it has not been connected to the main line. Mr. and Mrs. Gray have talked with other property owners in the area and believe that they will also take part in the cost of installing a line. The proposed pipeline will run south of Don Elliot's house on P Road east from 2600 road through Fick's property then through Gray's property. The construction of the pipeline will be contingent on the development of Elliot's minor subdivision.

MOVED BY Wayne McPherson

SECOND BY Bryan Klaseen that USCDWUA would supervise the installation of a 4" pipe through Don Elliotts, Don Fick and Tom Gray's properties, and accept the line into the Association system upon completion.

MOTION CARRIED with no opposing votes

### **Bud Burgess Request**

Bud Burgess stated to the Board that he wished to renew his request to transfer a tap from the Horn property on 2425 Drive to the old gravel pit on the north side of N road near Harts Basin. He said he believed the intent of the amendment to the by-laws prohibiting such transfers was to prevent land developers from moving taps out of established subdivisions.

John Hawkins said he disagreed that such was the only intent of the by-laws. There was considerable discussion. The Board had reference to a memo from Dan Hawkins outlining the history of tap transfers away from their original locations (attached). Ellis Fritchman said it appeared the by-laws were clear and the Board should follow them. Dan Hawkins said there were presently more than 90 taps that are not installed, and some of those tap owners may feel they have a legitimate reason to move the taps.


MOVED BY Herman Kline,

SECONDED BY John Hawkins to deny Bud Burgess' request to move a tap from 2425 Drive to N Road.

MOTION CARRIED with no opposing votes.

### **Treatment Plant Pressure Vessel**

Dan Hawkins reported that the first treatment plant for the Cedaredge and USCDWUA water system was built in 1978, and is of the pressure vessel type. This plant is now being used to provide water for back washing the two newer plants. This has become a dangerous and inefficient operation due to general deterioration of the plant and its controls and piping. Hawkins and the Cedaredge Public Works Director, Gary Noah, have worked out a plan in



which the pressure vessel would be replaced by a pump situated near the million gallon water tank. Hawkins stated that the operating cost of the pump would be about the same as the pressure vessel has been. The construction cost of this project is estimated at \$24,000 to \$28,000. This amount would cover the pump station, pipeline from the tank to the treatment plants and DMEA hookup. Noah and Hawkins will present the plan to the Cedaredge Trustees.

MOVED BY John Hawkins


SECOND BY Bryan Klaseen to pay the Association's share (twenty percent) of the cost toward the proposed Treatment Plant improvement.

MOTION CARRIED with no opposing votes.

### **Cedaredge - Cost of Water Treatment**

Dan Hawkins stated that due to Cedaredge purchasing large quantities of chemicals during the winter months, USCDWUA is charged a disproportionate amount for water treatment for those months. (See attached Memo) Hawkins will talk with Cedaredge Administrator Jerre Doss this week to see if the Town and USCDWUA can reach an agreement to allow annual reconciliation of treatment plant expense.

McPherson asked Hawkins if the electric meters that were placed on the treatment plants have saved the Association money as planned. Hawkins said that there has been a considerable savings over the previous method used to charge USCDWUA for power at the plants.



John Hawkins asked Dan Hawkins about the progress made to insure that there would not be another chemical spill. Hawkins reported that the cement dykes surrounding the chemical storage and handling areas are finished. The back wash pond will be deepened and enlarged. Leroy Black has submitted a plan for a discharge header of gated pipe to send water toward the back of the pond in order to keep dirty backwash water in the pond for 24 hours to settle out before being released into Milk Creek.

### **Dayton Myers**


On December 15, 1998 Dayton Myers sustained an injury while replacing gaskets on heavy valves during construction of the Redlands Mesa Line. He reported to Dan Hawkins that he was hurt but did not realize at the time that it was a serious injury. The pain did not cease so Dayton checked with his doctor who diagnosed a hernia. Myers had surgery on February 1, 1999 and is expected back to work by the end of the month. The Colorado Compensation Insurance is expected to cover Myers' medical bills and two thirds of his salary.

MOVED BY Jerry Figueroa

SECOND BY John Hawkins to cover any out-of-pocket expense to Dayton Myers resulting from the injury. This would include medical expense as well as lost salary.

MOTION CARRIED By 6 ayes. Herman Kline abstained.

### **Mark Fairchild**



Dan Hawkins reported that he had been investigating alternate routing for a pipeline to

serve Mark Fairchild on his property immediately east of Panorama Heights Subdivision. Previously, the Board had agreed to allow Fairchild to connect to a 4" line at the south end of the subdivision and run a 4" line to his home, for the purpose of serving a fire hydrant and possible further development of the property. Fairchild had agreed to provide easement for USCDWUA to take the line to Q-50 road, then east to his driveway, then north to his home, if desired. The alternate route was to cut straight across Fairchild's property from the subdivision. Fairchild had asked that if the longer route along Q-50 was used, that the Association pay for the additional pipeline that would be needed. Hawkins said he had polled most of the board, and had not found much approval for building the additional line, so the original shorter route was being used

### **Edith Boggs**

Dan Hawkins said Edith Boggs is considering the purchase of property now owned by Guadalupe Aguilar on the north side of Redlands Mesa. This is the parcel which contains the unfinished portion of the Redlands Mesa supply line, to be completed this spring. Mrs. Boggs is interested in having a road constructed down the side of the mesa, in the general vicinity of the pipeline. She would like to have the Association participate in the road construction, and use the route for the pipeline, instead of the straight route it currently takes. Hawkins said that a less steep route would be an advantage for inspection and maintenance of the line. The general consensus of the Board was to go ahead and investigate the cost and feasibility of the idea, and bring it before the Board for further discussion.

### **Drop Box**

Helen Hawkins stated that she has received several requests for USCDWUA to have drop box placed in Cedaredge Mercantile for member's payments. Her concern was, with the number of domestic water and irrigation companies in the area the Association would receive a number of receipts for these other companies. The Board agreed and no action was taken on this request.

Meeting adjourned at 9:30 p.m.

Respectfully Submitted

*Dan A. Hawkins*

USCDWUA  
MEMORANDUM

FROM: Dan Hawkins, Manager  
TO: Board of Directors

February 11, 1999

It is possible that Bud Burgess will again request to move a tap from property on 2425 Drive northeast of Cedaredge to the old County gravel pit on the north side of N road overlooking Harts Basin. This request was denied by the Board January 11, 1999.

I have researched the history of the section in the by-laws which prohibits moving of taps. I have also tracked down several such requests that have been considered by the Board. I think it might help if you are aware of the history also.

At a Board meeting June 5, 1990, it was moved by Bud Burgess, who was a Board member at the time, to place a moratorium on transfer of taps away from the location for which they were originally purchased. R.P. Sheppard seconded the motion, and it carried unanimously. The action was taken because Dale Cernusak and Lester Womak, the developers of Parkwood Subdivision located northeast of Cedaredge, wished to move one or more taps out of the subdivision to locations far away - in one case, to Redlands Mesa. The situation had become contentious, and there was the possibility of a lawsuit.

During that year, attorney Aaron Clay was retained to draft a by-laws change which would permanently prohibit moving taps except in special circumstances. At a Board meeting November 13, 1990, it was moved by Bud Burgess, seconded by John Hawkins to adopt the draft amendment to the by-laws and present it to the stockholders at the annual meeting. The motion carried, with Floyd McPherson voting no.

At the annual meeting December 11, 1990, the stockholders adopted the amendment, which is worded as follows:

“Article VIII, Section 5. Location of Service Connection: At the time the membership certificate is issued, the tract of land to be served shall be identified by the applicant. The service connection for that membership certificate may not be used upon any other tract of land than that so identified. Membership certificates, including those outstanding at the time of adoption of this Section 5, may be transferred only with the transfer of the tract of land for which the certificate was issued, except in the case of hardship to the member, as determined in the sole discretion of the Board of Directors. “

In the minutes of Board meetings, I have found the following cases:

January 15, 1991. Mr. and Mrs. Theodore Gaynos and Mr. LeRoy Wilcox. Three taps are owned on a single piece of property. The owner of one of the taps is deceased. His heir is disabled, in a wheelchair. The mobile home of the deceased parent has been removed from the property. The heirs request to sell the tap off the property to settle the estate. The Board ruled

that a hardship existed, and approved the request.

January 15, 1991. Mr. and Mrs. Virgil Bannon, Cedar Mesa. They had acquired property ten years previously which included an uninstalled tap. They would like to have used the tap, but were located such a distance from the nearest water line that service would cost them in excess of \$10,000. They had a well which provided their domestic water. The board ruled that a hardship existed, and the request was approved. The Bannon tap was transferred August 24, 1992. Mrs. Bannon then purchased a new tap for the same property August 17, 1993. Later, an agreement with neighbors allowed a new line to be extended to serve the tap

January 15, 1991. Ed Fischer, Pinyon Estates Subdivision, north of Cedaredge. Fischer wanted to move a tap from one of the subdivision lots to a location outside the subdivision. It was brought out that the developers of the subdivision had never purchased enough taps for all the lots in the first place. The Board decided this was not a hardship case, and the tap could not be moved from the subdivision. However, the Board did agree to permit Fisher to move the tap to a different lot in the subdivision in the future if he desires.

July 12, 1991. The estate of Ernest Ronne, owner of vacant land on Redlands Mesa with two taps, neither tap installed. Mr. Ronne was in a nursing home and incapacitated. The conservator of his affairs presented a case that one of the taps was superfluous, and made the property harder to dispose of. The Board agreed that a hardship existed, and allowed one of the two taps to be moved off the property, but required the second tap to stay with the property.

July 14, 1997. Mr. and Mrs. Gary Kensler, Far View Subdivision, Cedar Mesa. The Kenslers wish to remove a tap from a vacant lot they own in Far View to their new homesite on the southern edge of Cedar Mesa, west of 2420 Drive. They said the cost of their new home was higher than expected, and they could not afford a new tap. The request was denied, because the Board did not see a hardship existing.

In addition to these formal Board actions, there have been numerous requests which the applicants did not choose to bring before the Board. People making such requests are routinely advised of the wording of the by-laws, and afforded the opportunity to come before the Board.

I have conferred with attorney Aaron Clay, to reassure myself that the section in the by-laws is legally sound, and that the Board has a defensible position if it denies such requests. Mr. Clay stated that the wording of the by-laws is nearly universal among water companies similar to USCDWUA, and there is no legal liability to the Board for enforcing the by-laws.

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

March 8, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:30 p.m. at Association Headquarters. Board members present were Wayne McPherson, Jerry Figueroa, Herman Kline, Bryan Klaseen, John Hawkins, Ellis Fritchman and Kelly Peterson. Also present were Dan Hawkins, Helen Hawkins and Patricia Stain.

**Minutes**

MOVED BY Wayne McPherson

SECOND BY Herman Kline to accept the minutes of the Board of Directors meetings held on February 8, 1999 as written and sent to the Directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins pointed out several items of interest on the Cash Flow Report for February, 1999:

CNA, the insurance carrier for the Association building and vehicles, has refunded \$250.00 due to an advance premium payment. Hawkins said he expects a further refund due to an error in writing the liability limits on the vehicles. The liability limit had been written at one million dollars, instead of the desired amount of one hundred thousand.

The electricity expense reflects two months billing from DMEA, because their billing cycle does not always coincide with calendar months.

The water treatment expense reflects November, December and January billings from the Town of Cedaredge and has been adjusted by a year-end reconciliation agreed to by Hawkins and Town Administrator Jerre Doss.

Colorado Compensation Insurance (Workmens Comp) has paid two-thirds of Dayton Myers' salary and the medical bills for his injury and surgery. USCDWUA paid one-third of Dayton's salary for February.

MOVED BY Bryan Klaseen

SECONDED BY Ellis Fritchman to accept the Financial Report

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins stated that 4,950,000 gallons were used by the system in February.

### **Patricia Starr Line**

Patricia Starr, who resides at 1237 2640 Road on Redlands Mesa wishes to purchase a water tap, but there is no Association main line at her property. The closest main line is approximately 2000 feet north of her property. She believes that one or two of her neighbors living along 2640 Road to the south of her might also be interested in purchasing taps. One of them is Phil Cage, the other is a potential buyer of property owned by Ms. Starr on the east side of 2640 Road.

She asked if the Association would cooperate in the cost of constructing a pipeline along 2640 Road to serve her tap and potential neighboring taps. She said she is willing to help negotiate easement through the property bordering 2640 Road on the east, since it appears that there is not much room along the road for a pipeline.

Ms. Starr left the meeting and discussion continued. Jerry Figueroa expressed a need for consistent Association policy in such situations. He asked if there was any Association benefit in extending a line south along 2600 Road. Dan Hawkins said it could be used to grid the system in that area, by connecting to an existing line on M Road, or potentially by constructing a line on M-50 Road between 2600 and 2640 Roads. Bryan Klaseen inquired what has been the historical policy. It was explained that each case has been considered on the merits of its benefit to the Association, and ability to bear the cost. John Hawkins said the Association has extended lines along County roads in several instances in the past when it was known that growth was likely to occur, or to improve the operation of the system.

After extensive further discussion, it was

MOVED BY Bryan Klaseen

SECONDED BY Wayne McPherson that

1. If Patricia Starr purchases one tap, the Association will pay for installing a four inch line as far south as M-50 Road. The Association will pay for the cost of over-sizing the line for the remainder of the distance to her residence..
2. If two taps are purchased the Association will pay for installing a four inch line as far south as the south boundary of the property where Ms. Starr resides.
3. If three taps are purchased the Association will pay for installing a four inch line to the north boundary of property owned by Phil Cage, who resides at 1210 2640 Road.

MOTION CARRIED with no opposing votes.

### **Construction Report**

Dan Hawkins reported on the following construction items:


#### **Mark Fairchild line:**

A four-inch pipeline has been installed starting at the south end of Panorama Heights, extending east to Fairchild's new house. A fire hydrant has also been installed. Fairchild has been billed the full amount.

#### **Elliott-Gray-Fick:**

Don Elliot has received preliminary approval from Delta County to proceed with his minor subdivision. Elliot has granted easement for a line from 2600 road eastward across his property to the new parcel created by the subdivision, and further eastward






across the new parcel. Don Fick has agreed to grant the Association an easement from the new Elliot parcel eastward across his property. Tom Gray has presented a plat showing that there is a general utility easement recorded which would allow installation of a line from the east side of Fick to Tom Gray's property. Gray, Fick and Elliot have agreed among themselves on how to divide the cost of the pipeline. They wish to have USCDWUA provide the pipe and bill them for it

Dan Hawkins said he purchased 3,040 feet of pipe, which has been delivered to the project site. A few hundred feet additional will be required, which the Association has in stock. Tom Gray wants to install a fire hydrant at the east end of the line, which he will pay for. He offered to provide a hydrant that was rejected by the Town of Cedaredge because it is too long. Dan Hawkins said he had declined the offer, because he prefers to use fire hydrants constructed to Association specifications, and to stay with the same type as much as possible.

Jerry Figueroa suggested that the Association pay for the cost of oversizing the line. The consensus of the Board was to leave the agreement as it stands.

### **Edith Boggs**




Dan Hawkins said it appears that Edith Boggs will probably purchase Guadalupe Aguilar's property at 2775 P-25 Lane on Redlands. That is the parcel which the remaining 1500 feet of the Redlands supply line will cross. She was interested in constructing a road from the rim of Redlands down onto a flatter part of her property, for potential home sites (see February 15, 1999 Directors Minutes). She suggested that the Association might wish to participate in the road construction, and use it as a pipeline route in place of the steep route that exists now.

Hawkins reported that he, Dayton Myers, and Brad Peterson visited the site with her, and all agreed that it would be very expensive to build a such a road. She has abandoned the idea.

### **Headquarters landscaping**

Dan Hawkins said there has been a mud and drainage problem around the Headquarters building. He had decided that some excavation was needed to improve drainage, and more gravel was needed on the driveway and parking area. Peterson Excavating was hired to work on the property. Benson Brothers provided gravel. A sidewalk, concrete entryway pads, and a porch roof over the office entry are still needed.

### **Treatment plant upgrade**



Dan Hawkins reported on a Cedaredge Trustees meeting at which the proposed backwash pump station project was presented by Public Works Director Gary Noah. Hawkins said it was helpful that the Colorado Health Department inspected the Treatment Plant on the same day that the Trustees met. Apparently, the Health Department has been advising against using the old pressure vessel as a source of filter backwash water for many years. There was no opposition from the Trustees to proceeding with the upgrade project, which will include installation of a pump station at the million-gallon-tank and later dismantling and removal of the pressure vessel plant.

### **Agriculture rates**

Prior to the meeting, Jerry Figueroa had asked Dan Hawkins to investigate the history and policy of the Association in granting special water rates for agricultural use, and exceptions to the rule allowing one dwelling per tap. Hawkins said he had talked with Aaron Clay about the granting of special rates. Clay stated that there is no provision in the by-laws which allows the Board to grant different rates for different types of water use. He said Association will have to change its By-Laws to be legally correct in charging agricultural rates.

John Hawkins stated that he has always had reservations about having the rates, since he was well familiar with the by-laws. The granting of such rates has been an informal procedure in the past, and there is no record of any authorization from the Board as to who receives such rates or at what level the rates are set.

Ellis Fritchman asked who was receiving the special rate, and for what reason. Dan Hawkins said the Board could be provided a list of those taps being given an agricultural rate. Hawkins said no formal application process has been used, but the water user simply requested a break, based on their need for water that could not be obtained another way.

Bryan Klaseen said that a dairy was an example of an ag operation which needs a source of clean water that is difficult to obtain other than from the domestic supply.

Jerry Figueroa said he believes agricultural operations are different from other categories of high water use, because the user often has no other choice.

The discussion moved to housing for farm workers, and the current Association efforts to curb multiple dwellings per tap. Dan Hawkins pointed out that there is no exception provided in the by-laws for bunk houses, guest houses, or any similar type of seasonal or temporary housing. Although several such farm dwellings are being informally permitted, there has not been action by the Board or stockholders authorizing such exceptions.

Jerry Figueroa said he feels that we should look into these issues affecting agricultural taps before the next annual stockholders' meeting, and determine whether a by-laws amendment is in order.

### **Bud Burgess membership application**

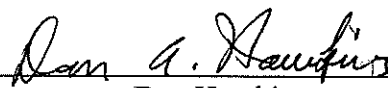
Dan Hawkins reported that Bud Burgess submitted an application for transfer of the tap at the Edwin Allen Horn property on 1730 2425 Drive. The application stated that the tap would be located at 2380 N Road, Eckert. Hawkins said that this could have been an inadvertent mistake on the application. However, the issue was sensitive because the Board had twice denied Mr. Burgess' requests to move the tap from 2425 Drive to N Road. Hawkins said he therefore denied the application, for the reason that location given for the tap was incorrect. To date, no corrected application has been received.

### **New Computer**

A new computer was purchased, along with new operating system software. The old computer has been upgraded with new components and moved into Dan Hawkins' office, to replace his own personal computer that he has been using.

Meeting adjourned 9:55 p.m.

Respectfully submitted



Dan Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

April 12, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:50 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson and Bryan Klaseen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY John Hawkins

SECONDED BY Herman Kline to accept the minutes of the Board of Directors meeting held on March 8, 1999, as written and mailed to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins presented the cash flow report for March, 1999. He also presented the CPA Review prepared for the Association by Michael Calhoun. Figueroa suggested that the Board study this review and if they have any questions to bring them up at the next meeting.

MOVED BY Kelly Peterson

SECONDED BY Herman Kline to accept the Financial Report

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins discussed the new taps:

John Richardson is northwest of Far View Subdivision, part of Rick Burnett's property  
James Vincent is on S-25 road - close to Surface Creek.

P. J. Pinel is on Redlands Mesa, at the south end of 2900 Road.

Bryan Braddy is also on Redlands Mesa, on N Road

Jewel Franks has a lot in Panorama Heights, possibly the last lot to be developed there.

Thomas Gray is about 3/4 mile east of the intersection of 2600 and P Road.

**Subdivision Report**

Dan Hawkins reported on the proposed subdivision known as Pinel Minor at 1250 2900 Road on Redlands Mesa:

The property owner, P. J. Pinel owns three taps. One was with the property that he purchased from Robert Sewald. The other two were purchased later. Two taps are presently installed. Pinel has not arranged to install the third tap.

The Surface Creek Area Planning Committee recommended against approval of Pinel Minor subdivision because of boundary disputes with neighbors, fire protection problems and incompatibility with surrounding land use. The Delta County Planning Commission also voted to deny the subdivision application. Pinel stated he would re-submit an altered application. Several issues affecting USCDWUA arose during those two planning meetings:

The Association's main water line serving the Pinel property is a 2-inch. It crosses the

west side of the property within an easement, adjacent to 2900 Road. The local fire district has recommended a fire hydrant be installed at the subdivision, with a four-inch line constructed to the property from N Road. Pinel has suggested that if he were to install a 4" pipe line he would want the Association abandon the two-inch line and easement and build the water line in the country road Right of Way.

Pinel was planning on building two cabins on his property. Hawkins told him that in order for USCDWUA to serve these cabins, taps would have to be purchased. Pinel contemplated serving the two cabins from a well, but both the Area Committee and the Planning Commission expressed opposition to that.

The Board discussed at some length fire protection problems and fire hydrants. Kelly Peterson stated there are efforts being made to standardize regulation throughout the county. One proposed regulation would require a fire hydrant to produce one thousand gallons per minute for thirty minutes. Hawkins stated such a requirement would seldom be met on the Association system.

There was some discussion as to how much the Association should share in the costs of hydrants. It has been the responsibility of developers or individuals to pay for the cost of fire hydrants. Figueroa said he believes that fire hydrants are beneficial to the system, and to many shareholders. Peterson stated that insurance costs can be less for some home owners who are near a hydrant, but the benefit varies from one insurance company to another.

John Hawkins said he can see problems in deciding where and how many fire hydrants should the Association pay for, and believes the present arrangement is better.

Dan Hawkins stated that the Association cannot plan on providing municipal-type fire service throughout the system due to the line sizes required.

### **Construction Report**

Dan Hawkins reported the pipeline for Don Elliot, Don Fick and Tom Gray has been completed. They have not yet been billed, and Hawkins asked the Directors if they wished to continue a previous discussion about Association participation in the line, since Tom Gray has purchased a tap. Figueroa said he felt that in some similar situations, the Association had paid for the oversize pipe beyond what the tap owners strictly needed. Hawkins said that no arrangement had specifically been made with the members of the project as to who would pay for valves and fittings. He estimated that the cost of such "iron" would be roughly the same as if the Association oversized the pipeline from 2" to 4" in diameter.

MOVED BY John Hawkins

SECONDED BY Kelly Peterson that USCDWUA pay for the "iron"

MOTION CARRIED with no opposing votes.

### **Treatment Plant Pump Station**

Dan Hawkins said that Monroe Supply has delivered the pumps without a UL listed label on the control panel. Hawkins recalled that a similar problem had caused a failed electrical inspection on the water treatment plant. After some persuasion, Monroe Supply agreed to pay to have the inspection done in order for the pumps to receive UL listing.

### **Redlands Line and Valve House**

Hawkins reported that the remaining 6" steel pipe for the Redlands hillside has been

delivered and is being stored on Joyce Bowers property in Dry Creek. Weather permitting, construction will begin the last week of April or first of May. Hawkins said The 6-inch iron and valves to upgrade the valve house on 2800 Road will likely cost more than \$5,000.

The 2800 Road valve house is located on Steve Hodges' property. Hodges' horses stomp on the valve house and are causing damage, and could injure themselves. Dan Hawkins said he would like to negotiate with Hodges to have the valve house fenced off from livestock, and open to 2800 road for easy access. He said a fire hydrant would be useful to flush the new 6" line. Hawkins asked the Board if the Association could contribute to the cost of a fire hydrant near the valve house. The consensus of the Board was that Dan should try to get some neighbors involved and plan to have a fire hydrant put in place as part of the Redlands Mesa project

### **Agriculture Rates**

Hawkins presented the Board with a list of members who are being charged an agricultural water rate. The Reorganized Church of Latter Day Saints Camp Ground is not agriculture but has been given the rate as it helps youth.

The policy of the Board has been that no agriculture rate is given without Board approval. John Hawkins said he believed that Section 1 of Article III of the by-laws of the Association might offer justification for different rates, since it says, "Larger sized taps may be allowed at the discretion of the Board of Directors at a price to be established by the Board of Directors." The consensus is to continue with the presently established agricultural rates, and to continue researching the problem.

### **Bruce Stanley - guest cabins**

Dan Hawkins reported on a conversation with Bruce Stanley, who presently owns one tap for property on 2725 Road, about 3/4 mile north of Q Road. Mr. Stanley has plans to build as many as twelve guest cabins, and serve them with water from the Association. Hawkins had informed Stanley of the policy requiring one tap per household. They had also discussed how to serve the property, if that many taps are involved. The present plan for serving the property is from a 2" line which is presently about 1/4 mile away on the Jan Greens's property. However, this line would not support the development contemplated by Stanley. Hawkins had told Stanley that service would probably have to come from the north, requiring upgrading of the Cactus Park line.

Jerry Figueroa asked if the more logical direction might be to the south, connecting to the Redlands supply line at Q Road, and continuing all the way to the Harry Vaughan property, in order to connect with the Wolf line, improving service to them. After discussion, it was agreed that this would fit in with future expansion of the system and would provide the most sure improvement to the Wolf service problem.

### **Multiple Dwellings**

Dan Hawkins reported that Bonita Leyba's mother has moved a trailer home onto Leyba's property, very shortly after a discussion where she was informed of the need to have a tap for the trailer. He said he will talk to Leyba.

Bryan Klaseen said that it appears a new trailer home is on Eden Ranch on Redlands Mesa. There was discussion of the fact that there is a well at Eden Ranch. Hawkins stated that even if well water is provided for an additional household, there is a problem of possible cross

contamination between well water and domestic. State law puts the burden on water companies to solve cross connection problems.

Figueroa said he would like to see an updated list of possible double dwellings and letters sent to the people involved.

### **Banking**

In light of the fact that West Star Bank has fired three long term employees, Herman Kline expressed the possibility that West Star is planning to cut back on services. Since it has been a policy of USCDWUA to use local businesses as much as possible, Dan Hawkins has researched the possibility of changing USCDWUA banking to Surface Creek Bank. Hawkins stated that the checking account service at Surface Creek Bank would be the same as West Star. Surface Creek Bank has a slightly higher interest rate on savings accounts than does Commercial Federal, where the Association's savings are currently kept.

Jerry Figueroa stated that any change in banking should be made primarily with service to the Association in mind, rather than emotion. He said to be sure that no financial penalty would be incurred in making a change.

MOVED BY Herman Kline

SECONDED BY Bryan Klaseen to move USCDWUA checking account from West Star Bank to Surface Creek Bank

MOTION CARRIED with no opposing votes.

MOVED BY John Hawkins

SECONDED BY Kelly Peterson to have future deposits made to reserve accounts made to Surface Creek Bank and to continue to use Commercial Federal saving until the account is drawn down.

MOTION CARRIED with no opposing votes

### **Rob Perkins - Alfalfa Ditch Shares**

Mr. Perkins may be willing to sell two shares of Alfalfa Ditch . The asking price is \$15,000 per share. There are question about the actual amount of water the Association would receive. This would depend on the point of diversion and laws concerning the conversion from irrigation water to consumptive use. USCDWUA presently owns 10 shares of Alfalfa Ditch. It is not known at this time if the water will in fact be available, but Mr. Perkins has promised to keep the Association informed.

Meeting adjourned 11:15 p.m.

Respectfully Submitted *Dan A. Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

May 10, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:40 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Bryan Klascen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

Written minutes of the previous meeting had been mailed to the directors prior to the meeting. Ellis Fritchman pointed out that the minutes incorrectly listed him as present.

MOVED BY John Hawkins.

SECONDED BY Herman Kline to accept the corrected minutes of the Board of Directors meeting held on April 12, 1999.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins presented a cash flow report for April, 1999. He reported that the Association has closed out the checking account at WestStar Bank and has opened a new account at Surface Creek Bank.

McPherson had some questions about expenditures for the pump station at the treatment plant. Hawkins explained that it was needed to replace the old pressure vessel filter as a source of filter backwash water. All construction costs are being divided 80%-20% with the Town of Cedaredge.

MOVED BY John Hawkins

SECONDED BY Herman Kline to accept the Financial Report

MOTION CARRIED with no opposing votes.

**End Of Month Report**

Dan Hawkins discussed the single new tap which was purchased in April. The new member, Mark Petrone, owns property on the north side of U-50 Road where the Association and Town of Cedaredge water lines cross the road. Delta County had issued Petrone a driveway permit which lay on the USCDWUA and Town pipeline easements. Petrone and Road Supervisor

Marvin Walden agreed to move the driveway to the east to avoid the pipelines. It was discovered that a 60-foot wide road easement is platted over the pipelines. Hawkins said that if such a road is ever developed, it will cause problems, and that the Town and Association will need to be watchful.



## Subdivision Report

**Stemple Major Subdivision:** Applicant Boyd James Bair - Location: 2712 Q Road.

Dan Hawkins stated that this is a replat of a previous subdivision, creating four lots where previously there were two. He said nobody has been in touch with him about providing water taps. Hawkins said he understands that fire Chief Arlo Hanson will ask for a fire hydrant to be installed, even though the line that would serve the property from Q Road is only a 2 ½ inch pipe. The sketch plan that was provided to Hawkins is too vague to determine what is being planned for water line easements. It was suggested that Hawkins comment to County Planning that insufficient information was provided to make any decisions about water service, and no water service has been requested anyway.

**Lowry - court ordered split:** South side of Q-50 Road immediately west of the intersection with 2475. The former Mrs. Roger Lowry was awarded three one-acre lots in a divorce settlement. Barbara Ball of the planning commission had no knowledge of this split and there has been no request for water taps. Hawkins said that there would be no problem serving these lots if Mrs. Lowry chooses to develop them. There is a four-inch line along the south side of Q-50 road coming from the east as far as the Lowry Property, then it reduces to a 2-inch line.

**Dallas family split:** Duane Dallas is planning a family split on his property at 2465 T Road. Mr. Dallas has asked for a commitment for one water tap to serve the new lot. Mr. Dallas also feels he contributed money for upgrading the line on T Road several years ago when he purchased his tap. He would like a fire hydrant provided at Association expense, or at least with some level of Association participation. McPherson stated that he felt we should stay with the present policy of having members pay for their fire hydrants.

MOVED BY Wayne McPherson

SECOND BY Kelly Peterson to write a letter of commitment to the Delta Planning Commission for Duane Dallas, making available one water tap for a period of one year or until approval of the split.

MOTION CARRIED with no opposing votes.

**Phillip Tourney** asked for a letter of commitment for a subdivision located 1/4 mile northeast of the intersection of Q-50 Road and 2675 Road. This is on the east end of Cedar Mesa. Mr. Tourney will require taps for three new parcels created by the subdivision. There has been no official notification by County Planning of the proposal. Dan Hawkins told Tourney that the Association could serve the parcels from the 4-inch Redlands supply line, which runs along the south side of the property. However, two of the parcels will need to have easements provided for water lines. Tourney did not object to providing the easements.

MOVED BY Wayne McPherson

SECOND BY Bryan Klaseen to write a letter to Phillip Tourney and the Delta Planning Commission making available three water taps for a period of one year or until approval of the subdivision, and stipulating the required easements for the Association.

MOTION CARRIED with no opposing votes.

## Construction Report

**Redlands Mesa Line:** The valve assembly for the 2800 Road valve house is finished and ready to install. Peterson Excavating is scheduled to begin construction tomorrow.

**Possible 2725 Road Line:** A line from Q road north along 2725 Road to Harry Vaughan's home was discussed at the previous meeting, as a way to correct the chronic problem with water delivery to Wolfs, to serve potential development along 2475 Road, and to augment the Redlands Mesa supply in the future. Bud Burgess owns property along 2725 Road and is in the process of splitting his property into four 35(+) acre lots. Dan Hawkins said he has talked to Burgess, and he is interested in providing a pipeline easement across the lots, but suggested that it should run along an existing farm road located toward the east side of the property. The general consensus was that such a location would have minimal value the Association, and the line should go along or near 2725 Road.

Figuroa suggested that the line should go along the side of the county road, within the road easement. Dan Hawkins stated that there is very little room in the roadway, with ditches and steep banks in the way. There are also several ditches on the Burgess property bordering the east side of the road that would complicate pipeline construction. Fritchman said he is of the opinion that if the property owners want water they should be able to move or temporarily dry up their ditches to accommodate the pipeline.

Dan Hawkins asked if the board is ready to commit to move forward with this project, and authorized him to obtain easements and order the steel pipe required. He said he is contemplating six-inch pipe.

John Hawkins suggested that an eight inch would be preferable to a six inch line. Dan Hawkins estimated that the larger pipe would add six or seven thousand dollars to the project.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to purchase eight inch pipe for the 2725 County Road Line and to proceed with obtaining easements.

MOTION CARRIED with no opposing votes.

**Treatment Plant Pump Station:** Construction will begin tomorrow on the pump station. The Association and Cedaredge are renting an excavator from Benson Brothers. The backwash pond will be enlarged and new distribution pipe placed in the pond while the excavator is available, thus combining the projects.

## Multiple Taps

Dan Hawkins reported on the status of multiple houses per tap:

The following members have been contacted regarding the presence of a second home on property served by a USCDWUA tap:

1. Carma Newton, 2568 M-50 Road, Redlands Mesa: Has three houses, two taps. Only one house is occupied, but the other two are connected to USCDWUA. A letter has been sent explaining policy.

2. Jan Greene, 1647 2725 Road, Currant Creek: Has a second mobile home occasionally

occupied. She has agreed to buy another tap.

3. James Wetzel 1272 2640 Road, Redlands Mesa: Has a second mobile home, unoccupied and not connected to USCDWUA. The mobile belongs to another person, who wants to leave it there for occasional visits. The property has a well, and Mr. Wetzel is deciding whether to use the well for the mobile or to buy a second tap.

4. Bonita Leyba, 2713 Q Road, Cedar Mesa: Has a second mobile home, unoccupied and not connected to USCDWUA. Her parents plan to live in the mobile. They have placed a concrete cistern above ground next to the mobile. They plan to fill the cistern with trucked-in water.

Klaseen asked if it would be possible to get receipts from Leyba proving that she is hauling water. McPherson stated that the only way to make sure that Leyba is not using company water at the other mobile home would be some kind of police action on the Association's part. He felt this is not reasonable. The consensus of the board was to send a letter to Leyba stating the company policy and keep an eye on the situation.

5. Melvin Parks, 1976 T-75 Road, Upper Surface Creek: It looks like two homes from the road, but one is a workshop. Although connected to USCDWUA, it is not set up to live in.

6. Don Johnson, 1825 2550 Road, Cedar Mesa: Has what looks like an apartment over the garage. On two visits, nobody has answered to door to either house, although cars were in the yard. A letter has been sent.

Yet to be contacted:

1. John Benjamin, 1591 2900 Road, Redlands Mesa
2. Clistie Christensen, 1650 2550 Road, Cedar Mesa.
3. Mervin Synhorst, 2641 Q Road, Cedar Mesa.

There being no further business before the Board, the meeting adjourned 9:40 p.m.

Respectfully Submitted *Dan A. Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

June 14, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Bryan Klaseen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECONDED BY Wayne McPherson to accept the minutes of the Board of Directors meeting held on May 10, 1999, as written and mailed to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins pointed out that the reason for the high balance in the checking account at the end of May was maintained because of the anticipated water purchase payment to Lee Gorsuch and the expected bills from the Redlands Mesa pipeline that will be paid in June.

MOVED BY Wayne McPherson

SECONDED BY Bryan Klaseen to accept the Financial Report

MOTION CARRIED with no opposing votes.

**Subdivision Report**

Dan Hawkins reported on subdivision activity within the Association area:

David Stemple Subdivision has been postponed

Roger Lowry/ Robin Lowry court ordered split: Barbara Ball with the Delta County Planning Commission said she had not been notified of the split, and could not say whether it would follow normal Planning Commission procedures. It appears that two of the three lots created by the court order are being developed now. Marvin Walden, District 2 County Road Supervisor met with Hawkins to work out the location of a common driveway entrance for the two lots that would not conflict with the Association pipeline. Hawkins said there have been no inquiries about water taps. There was no objection from the Board to granting taps for the lots.

Gary Sheveland Subdivision: Hawkins said that this minor subdivision had previously been put on indefinite hold by the Planning Commission, but was suddenly revived and is proceeding through the approval process. Sheveland applied for a tap for the one additional lot created by the subdivision. The tap was granted and has been installed.

**Construction Report**

Dan Hawkins said the Redlands Mesa line is complete but has not been activated. He said he is concerned about being able to adequately flush and disinfect the line, and it is presently

sitting full of a strong chlorine solution in hopes of neutralizing taste and odor. It is hoped that the line can be placed into service in the next ten days to two weeks. The valve house along 2800 Road at the end of the new line needs to be upgraded to accommodate the larger line size, and needs a new roof. Steve Hodges, the land owner, has agreed to having the valve house fenced off from his land, and open to 2800 Road for better access by USCDWUA. This would be his contribution to a fire hydrant to be installed at the valve house, and there are pledges of monetary contributions from three other neighbors. As of June 14, all the bills have been paid for the Redlands Mesa pipeline.

Treatment plant - backwash pond and pump station: Dan Hawkins reported that the work on the backwash retaining pond at the treatment plant has been completed. The pond was enlarged and about 100 feet of 15-inch pipe was installed to distribute the backwash water at one end of the pond away from the outlet. This work completes the upgrades required by the Colorado Department of Wildlife due to last year's chemical spill at the plant.

Hawkins said that the backwash pump station is nearly operational. DMEA has installed power to the station, but the building has not been wired. All pipeline has been installed from the pump station to the treatment plant.

Far View Subdivision - Hawkins reported that an unplanned extension had been made to the 4-inch line inside Far View, along the south side of Ira Way. When installing the tap for John Richardson, whose home is located north of Far View, it was found that the four inch line did not go far enough west to allow Richardson's tap to connect. It was decided to extend the line to the end of Ira Way, which required about 100 feet of pipe. The installation was done by USCDWUA personnel and Bob Brewer Excavating.

2725 Road Line - Hawkins reported that he has not yet ordered steel pipe for the proposed 2725 Road pipeline, to run from Q Road to the Harry Vaughan residence. He said the delivery time quoted by Northwest Pipe is four to five weeks. Hawkins said he believes an easement will be provided by the land owner, Bud Burgess, along the east side of 2725 Road.

### **Larry McCray**

Hawkins reported on a meter tampering incident at the tap owned by Larry McCray. Mr. McCray has a past due of \$ 1134.00. His property address is 1854 2425 Drive. His water has been shut off and locked for more than a year. This spring Dayton Myers noticed that somebody had cut off the USCDWUA lock and put a different lock on the meter, with the valve now locked on instead of off. Hawkins called the sheriff to witness him cut off the lock and place another USCDWUA lock on the meter. Again that lock has been removed and a different lock substituted.

MOVED BY Jerry Figueroa that Dan Hawkins write a history of the situation.. Have the sheriff witness Hawkins putting a new lock on the meter. Write a letter to McCray letting him know that if this happens again his meter will be removed and he will have to pay a new installation fee to have a new meter installed. Hawkins is to call Aaron Clay and get his advice

on what other legal recourse the Association may have.

SECONDED BY BRYAN Klaseen

MOTION CARRIED with no opposing votes.

### **Multiple Dwellings**

Hawkins said that Don Milholland has only one dwelling on 2475 - S25 Road. A second mobile home that had been observed on the property has been incorporated under one roof with the existing home. Don Johnson has agreed to purchase a tap by the 20th of June.

Albert Mahannah purchased a tap, where he had previously been living in a mobile home on the Marcella Mahannah property.

### **Town of Cedaredge**

Dan Hawkins said he would like to see some action from the Town on a proposed tap transfer agreement and operating agreement that was submitted to the Cedaredge Water Committee late last summer. He said that it appears the Town is moving ahead with plans to install a new pipeline from the USCDWUA diversion box to the Town reservoirs at Highway 65 and S-25 Road. Since the new pipeline will be pressurized and therefore capable of serving the Cedaredge taps that are presently connected to the Association line, it is important to get the service territory and tap ownership questions settled before the new line goes in.

Hawkins asked if the Board could help in persuading the Town Trustees to come to agreement. Jerry Figueroa asked Hawkins to try to arrange a meeting between key persons on the Board of Trustees and/or water committee and the USCDWUA board.

Hawkins also said that the Town is tentatively planning to deviate from their present right-of-way easement through property owned by Don Peterson and Gerald Loucks. He said the proposed route will deviate from the present route at T-50 Road, run west to the section line, then south along the section line to T Lane.

Respectively Submitted



Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

July 12, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Bryan Klascen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Wayne McPherson

SECONDED BY Herman Kline to accept the minutes of the Board of Directors meeting held on June 14, 1999, as written and mailed to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins explained the combined expenditures of the town of Cedaredge and USCDWUA in building the pump station and backwash pond.

MOVED BY Wayne McPherson

SECONDED BY Herman Kline to accept the Cash Flow Report.

MOTION CARRIED with no opposing votes

**E.O.M. Report**

Dan Hawkins stated that 19 new taps have been sold this year. Twenty two were budgeted for the year.

**System Usage**

The Board discussed the System Usage Report. Dan Hawkins said he expected the system usage next month to be considerably higher due to extended flushing of the new Redlands pipeline.

**Subdivision Report**

**Clear Creek Minor** (Gerhard Rueckert): 2097 2500 Drive, Cedaredge.

This proposed subdivision is located on Milk Creek. It is a continuation of the Willow Creek Rancho subdivision done by Rueckert several years ago. The property to be divided is 40 acres. A 36-acre lot will enclose Rueckert's home and outbuildings. That lot is served by a Cedaredge tap, connected to the Association pipeline. The other two lots are approximately two acres in size. A six-inch Association pipeline runs through those two lots. There has not been a request for additional taps. There was some discussion on the problems USCDWUA faces with Cedaredge taps located in the Association Territory.



MOVED BY Kelly Peterson  
SECONDED BY Wayne McPherson to approve the sale of taps for the Clear Creek  
Minor Subdivision if requested.  
MOTION CARRIED with no opposing votes.

**Radcliff Minor Subdivision** 2440 Q-50 Road. Lester Radcliff plans to divide 9.3 acres into three lots. One lot contains his home, and is already served by an Association tap. The remaining two lots will need new taps, but there has been no request yet. Dan Hawkins said the Association should require an easement the full width of the property, running east to west along the south side of Q-50 Road to serve potential growth.

Jerry Figueroa asked about the line size at the Radcliff property. It was explained that the line is two inches in diameter coming from the intersection of Q-50 and 2475 Road, and 4" coming from Sage and Cedars Subdivision. The direction of feed is from the east. The 2" line is adequate to serve the proposed Radcliff subdivision, but would need upgraded to serve significant growth to the west of there.

MOVED BY Bryan Klaseen  
SECONDED BY John Hawkins to sell taps for the Radcliff Subdivision if there is a request.  
MOTION CARRIED with no opposing votes.

### **Construction Report**

#### **Redlands Mesa - Bad Water**

The new Redlands Mesa Line was put into service on July 1. Even after flushing the line for a considerable period of time the taste and the odor was worse than Dan Hawkins had ever experienced. It is believed that the problem is with the coating on the inside of the steel pipe. The coating is called "T&O" by the pipe supplier, meaning tasteless and odorless. Hawkins said that USCDWUA has used this T&O steel pipe extensively throughout the system. There are approximately three miles of the pipe above the main tank. There is approximately two thousand feet of it in use on the Hoot Owl line, and more than a mile of it in the Redlands supply line constructed in 1994.

Hawkins said the line was flushed as much as practical, but that the six and eight-inch pipe was difficult to flush because it is fed by a four-inch. In the process of flushing the line there were members out of water on the Lone Pine water line. There have been many complaints about air in the water, taste and odor, and concerns for the safety of the water.

Hawkins said he received a call from the State Health Department, following a complaint from a Redlands user. Hawkins felt that the State Health Department was satisfied with the steps that were taken to lessen the effects of the taste and odor. Hawkins has asked NorthWest Pipe to hold the order for pipe that is intended for the proposed Harry Vaughan line along 2725 Road.

The Board reviewed and discussed the attached memorandum showing the cost of ordering Epoxy Lining rather than T&O Lining for the Harry Vaughan Line.

MOVED BY Kelly Peterson

SECONDED BY John Hawkins to purchase eight inch epoxy lined pipe and valves for the Harry Vaughan line.

MOTION CARRIED with no opposing votes.

**Treatment Plant Pump Station and Back Wash Pond:**

Dan Hawkins said the capacity of the backwash pond as been increased by 150 percent. A perforated pipe embedded in gravel has been placed on the north end of the pond. This distributes the backwash water in such a way that it remains in the pond as long as possible. This completes the improvements required by the Department of Wildlife in lieu of a fine due to last year's chemical spill and the resulting fish kill in Milk Creek.

The backwash pump station is not completely finished but it is in operation.

**Larry McCray**

Dan Hawkins talked with Aaron Clay about legal options in dealing with Larry McCray's cutting the lock placed on his meter. Clay recommended that Dan write a letter explaining that the meter will be removed and that there will be an installation fee of \$ 300 to reconnect the meter if the lock is removed again. He suggested that this letter be sent to McCray's last known address and also placed in a plastic bag and put with the meter.

**Ramond Boyle**

A tap was sold to Raymond Boyle in January of this year. Mr. Boyle's property is on the upper end of Redlands Mesa in an area that a pump will be required for him to receive water. He agreed to several conditions before USCDWUA issued him a tap. Mr. Boyle asked Dan Hawkins if he could have the water and electric power in the same trench. Hawkins told him that this would not be permitted. There has been no further contact with Mr. Boyle since that request was denied.

**Town of Cedaredge**

Jerry Figueroa and Dan Hawkins both said they have attempted to obtain a meeting with Cedaredge Trustees to discuss the transfer of Cedaredge taps and defining territories for Cedaredge and USCDWUA water systems. So far, such a meeting has not come about. Hawkins said that Public Works Supervisor Gary Noah has been very encouraging, but he does not have the authority to make decisions.

The consensus of the board was to keep trying, that the Association really did not have much leverage to force the Town to come to agreement.

**Other**

Roger Lowry, the game warden, told Cedaredge and Dan Hawkins that the land owners below the treatment plant want Cedaredge and USCDWUA to restock Milk Creek to replace fish that were killed by a chemical spill at the treatment plant last year. Hawkins said he knows that fish have been caught in the creek since the spill. The Town has not officially responded to the request yet.

The consensus of the board was that the Association is not interested in stocking the creek, but to wait and see if the Town responds.

Cedaredge has a 30,000 gallon tank near Gerald Loucks property and has offered to give it to USCDWUA if the Association will remove it. No action was taken.

Dan Hawkins said he had written a letter to Gary Noah of the Town offering the use of the USCDWUA right of way for travel, mancuvcring, etc. during construction of the new Cedaredge pipeline

**Adjourn 10:00 p.m.**

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

August 16, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:30 p.m. at Association Headquarters. Board members present were Jerry Figueroa, John Hawkins, Ellis Fritchman, Herman Kline, Kelly Peterson. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY John Hawkins

SECONDED BY Herman Kline to accept the minutes of the Board of Directors meeting held on July 12, 1999, as written and mailed to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins told the board the high vehicle expense was due to repairs done to the clutch in the Ford Ranger. Hawkins reported that the Association has opened a savings account with Surface Creek Bank. The Association is also keeping a Certificate of Deposit and a regular savings account with Commercial Federal Bank in Delta.

MOVED BY Herman Kline

SECONDED BY Elis Fritchman to accept the Cash Flow Report

MOTION CARRIED with no opposing votes.

**E.O.M. Report**

Dan Hawkins pointed out that the 1999 Budget had planned for the sale of twenty-two memberships for the year. As of August 16, 1999 there have been twenty memberships sold.

**Water System Usage Report**

Hawkins reported that the system usage report is inaccurate. There are three main meters at the head of the system. A master meter and two other meters referred to as the east meter and west meter. The west meter is stuck so the usage report does not reflect the actual usage for this month. Future reports will use the figures from the master meter.

**Redlands Pipeline Problems**

Hawkins said the new line is not in use, and has been inactive since July 19. Water samples have been sent to Durango to be tested for volatile organic chemicals, on the recommendation of the State Health Department. Hawkins has talked with the pipe manufacturer and Tnemec, the coating manufacturer. They both are of the opinion that only time will solve the problem. They did not believe that flushing large volumes of water through the pipe would make much difference. Hawkins said the program has been to hold water in the line for a week or so at a time then flush it out for two days. So far there has not been much improvement.

Due to the wet summer there has not been a serious problem with water shortage. There are three possible solutions. The line could be replaced. There are several types of liners on the market that could be inserted into the to pipe. Or wait in hopes that the chemicals causing the bad taste will dissipate. Replacing the line or inserting a new lining would be very expensive.

Dan Hawkins said he talked with Aaron Clay about the situation. Clay suggested that Hawkins cut a section of the pipe and store it in a plastic bag as potential evidence should the matter ever come to litigation. Figueroa asked Hawkins to investigated the cost of lining the pipe and to find some other water company that has used the lining. John Hawkins pointed out that we have several months to give the pipe time to cure and that hopefully this would be the way the problem will be solved. No action was taken.

### **Raymond Boyle Pump Project**

Mr. Boyle has agreed to construct power and water lines in separate trenches from the small Redlands tank to his property. He met with Dan Hawkins and they negotiated the design and construction of a pump house on the existing valve vault. Mr. Boyle has asked for a contribution from the Association to help with road construction from P-50 north to the tank site. Hawkins said the road is used by two Redlands Mesa ditch companies, by USCDWUA, and by Boyle. He said he felt that a contribution of about \$500 might be a fair portion for the Association. Several board members commented that it would only be reasonable to contribute if a good road is built, rather than just spreading gravel on the track that is already there. Hawkins said he would watch the progress of the road, and bring the matter up later for consideration.

### **Common System**

Dan Hawkins reported the total cost of improvements at the water treatment plant to date is \$35,267. The cost to USCDWUA is \$7,000. That includes the pump station, the pipeline to the backwash cistern, and improvements to the backwash pond mandated by the chemical spill last year. Hawkins said the pump station is now in full automatic operation and performing well.

Hawkins said he had been contacted by Jack Stanford, principal owner of Little Giant reservoir. He is contemplating a project to rebuild the dam. The access to the reservoir is along the raw water pipeline so the Association and Town of Cedaredge will be affected by the project. The board will be able to look at the access on the tour of the raw water collection system scheduled for tomorrow. Those taking the tour will meet at the Round Corral at 8:00 a.m. tomorrow, August 17.

### **Richard Hall and Herad Sanders pipeline extension**

Dan Hawkins reported that Hall and Sanders have purchased a tap for property on the east side of 2550 Road, north of the intersection with R Road. A pipeline will need to cross the road in order to serve the tap. Hawkins said he would like to oversize the pipe to 4 inch.

MOVED BY Herman Kline

SECONDED BY Kelly Peterson to extend the Hall-Sanders line using 4" pipe.

MOTION CARRIED with no opposing votes.

**Alfonzo Estrada Property on N Road**

Hawkins said Estrada is a partner in the Three Amigos minor subdivision, located on N Road at the east end of Redlands Mesa. He owns a tap, and is ready for water service. The line on the north end of N Road will need to be extended eastward to serve the lot. At the present end of the line, it is two inches in diameter. Hawkins would like to extend with a larger diameter pipe.

MOVED BY Herman Kline

SECONDED BY Ellis Fritchman to extend and enlarge the line on N Road.

MOTION CARRIED with no opposing votes

**Pipeline on R-75 Road**

Dan Hawkins reported that there have been realtors expressing interest on developing a small subdivision on R-75 Road. Hawkins has told them that the line would have to be upgraded, as there are now seven taps on the existing one-inch line at that part of R-75 Road. Fritchman stated that he thought it should be at least a four inch line. No action was taken.

**Adjourn 9:40 p.m.**

Respectfully Submitted

Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

September 13, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:40 p.m. at Association Headquarters. Board members present were Jerry Figueroa, John Hawkins, Ellis Fritchman, Herman Kline, Kelly Peterson, Wayne McPherson and Bryan Klaseen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Bryan Klaseen

SECONDED BY Wayne McPherson to accept the minutes of the Board of Directors meeting held on August 16, 1999.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY Herman Kline

SECONDED BY Ellis Fritchman to accept the Cash Flow Report for August 1999.

MOTION CARRIED with no opposing votes

**E.O.M. Report**

The End of Month report was discussed briefly.

**Water System Usage Report**

Dan Hawkins stated that a lot of water has been wasted because of the new Redlands Mesa line being flushed out often.

**Construction Report:**

**R Lane Fire Hydrant:** At the request of five members, a fire hydrant was installed on R Lane west of 2475 Road. The cost per member was \$297.00. Cairns, Douglas, Arden and Sadler have paid their share Middleton still owes \$197.00.

**2550 Road Pipeline Extension for Herad Sanders and Richard Hall:**

The tap for Sanders and Hall, located on the east side of 2550 Road, north of R Road, has been installed. The main four-inch pipeline was extended up the west side of 2550 road approximately 120 feet to serve the tap.

**2725 Road pipeline:** A thirty-foot easement has been provided for the proposed pipeline along the east side of 2725 Road. A survey map is being prepared by Valley Survey which will show the easement. A written easement using the standard USCDWUA format will also be recorded

Jerry Figueroa said there has been concern expressed by some shareholders about the size of the pipe being used for supplying water for Redlands Mesa. He asked if a six-inch pipe might not serve present and future demand just as well. There was lengthy discussion. Dan Hawkins said he believes fire protection will soon be a factor in planning pipeline sizes. Kelly Peterson



said the long distance of the pipeline to Redlands should be considered, to minimize pipe friction. There was discussion on the difficulty of predicting the population growth on Redlands Mesa and in the Dry Creek valley. Dan Hawkins said the eight-inch pipe had already been ordered and was due to arrive in a day or two.

Jerry Figueroa asked what contractor would install the pipe. Hawkins said bids have been solicited from several local contractors, and would be available for consideration by the Board at the October meeting;

**Redlands pipeline:** The board reviewed the analysis report of a water sample taken from the new line and sent to Acculabs Inc. in Durango, Colorado. Dan Hawkins said that the first test had to be repeated, because the sample vials were broken in shipment to Durango. Therefore, the sample was not taken until August 2, about two weeks after the new line was taken out of service.

Hawkins said that his interpretation of the report showed the water to be well within State standards for water quality. Figueroa said that he would like a letter from the Colorado Health Department stating that the findings show the water to be safe. Hawkins said he has been in touch with Robert Cribbs and Mike Havens of the Grand Junction office of the Health Department. He will ask one of them for such a letter.

The Consumer Confidence Report, now mandated by the U.S. EPA will be sent out next month to all users on the system. This report will show the results of all testing done on the water as delivered to the distribution systems of Cedaredge and USCDWUA. There will be a supplement added for the Redlands Mesa Members, since the new Redlands line is contributing contaminants which may not exist elsewhere on the system.

**Raymond Boyle:** Peterson Plumbing has installed a pump in the valve house at the small water tank on Redlands Mesa. The vault was transformed into a pump house by Boyle, in accordance with plans agreed to by Hawkins and Boyle. Boyle has also built a new road from P-50, going north to his property, past the water tank. Hawkins said it is very narrow but appears to be well made. Boyle had earlier asked for help in paying for the construction of the new road but has not approached Hawkins since.

MOVED BY Wayne McPherson

SECONDED BY Kelly Peterson to have Dan Hawkins talk to the irrigation companies on Redlands Mesa and find out if they are contributing to the new road, and the Board will discuss a contribution with this information in mind.

MOTION CARRIED with no opposing votes.

### **Raw Water System Tour:**

Hawkins asked for the Board's reactions to the ATV tour of the raw water collection system on September 14.

Klaseen said it was a hair raising ride. Everybody agreed that a two day trip would have been a lot kinder to the body.

McPherson had questions about how the water from the springs was measured. He saw that a lot of water is wasted. He said that it should be a priority to get with Cedaredge and repair the system.

Fritchman said the pipe size should be increased to allow transporting all the spring water

that can be collected. He said the water commissioner on the tour allowed that we could collect as much spring water as we wish, to be returned to the stream at the filter plant or replaced with reservoir water

Figueroa would like to see a plan to work on a few springs every year for the next four or five years. He suggested that USCDWUA take the initiative in proposing projects to be undertaken, rather than wait for proposals from the Town of Cedaredge.

John Hawkins stated that there can be problems working with the Forest Service and the Town of Cedaredge has better leverage with the Forest Service than USCDWUA.

Dan Hawkins said that as long as Gary Noah is in charge of the Town water system, Cedaredge can be expected to work with USCDWUA, and will welcome our proposals. He also said the most accessible and best producing springs should be worked on first. Hawkins also said he was surprised by the large size of the collection system and is concerned about the potential future costs of maintaining it.

It was the consensus of the Board that the spring water sources should be developed and maintained as well as economics will allow, since the spring water is much preferable to surface water.

### **Subdivision Report**

**Harris Minor** is located approximately 5 miles North of Cedaredge at 2105 2500 Road. The property surrounds the USCDWUA main storage tank. Allen H. Adger is the applicant and Ann Harris is the owner. Three lots are being contemplated. Dan Hawkins said he cannot read the sketch plan that was submitted with the application, and will not be able to comment fully to County Planning until a better sketch is provided. He also said there would not be adequate water pressure from the main tank. Water service would need to come from the diversion box, at a point where higher pressure is available. This would involve coordination with Cedaredge. Fritchman said that the Association should make taps available for the subdivision, as it could help define the territory between Cedaredge and USCDWUA.

MOVED BY Ellis Fritchman

SECONDED BY John Hawkins to make taps available for Harris Minor Subdivision, if application is made. The Town of Cedaredge will be notified of the taps.

MOTION CARRIED with no opposing votes.

**Sterling Minor** is located approximately 5 miles Northeast of Cedaredge at 2026 2425 Road. Michael Sterling is the applicant. Jill VanDenBerg is the representative. Two lots are proposed. Dan Hawkins said one tap already exists on the property and that a water line runs through the property.

MOVED BY John Hawkins

SECONDED BY Kelly Peterson to sell a tap for the Sterling Minor Subdivision if application is made.

MOTION CARRIED with no opposing votes.

**Sorrento Heights:** Jack Zimmerman wants to provide water service to two lots without completing the main line to those lots according to the water system plan. His proposal is to

serve Lots 1 and 2 in Block 4 from the present termination of the four-inch main line, which is at the north boundary of the block. Dan Hawkins had told Zimmerman that the water line would need to be extended according to plan in order to serve the lots. The consensus of the board was require Zimmerman to stay with the plan.

**McPherson Minor** is located approximately 1 mile north and east of Cedaredge on 2425 Road. Owners and applicants are Wayne and Marianne McPherson. The proposal is for two parcels, one of which is already served by an Association tap. The new parcel lies along 2425 Road, and may readily be served from the main line there.

MOVED BY Bryan Klaseen

SECONDED BY Kelly Peterson to sell a tap for the McPherson split.

MOTION CARRIED McPherson abstained. Six Ayes.

### Other

Dan Hawkins said there is a need for the Association to own a backhoe. Presently, a Caterpillar model 428B is being rented on a monthly basis, and has been used extensively to fix leaks and handle other maintenance. The owner of the machine, Benson Brothers, has offered a rent-to-own proposal which would require the expenditure of \$17,000 in fiscal 1999, with a similar amount in fiscal 2000. The need for a backhoe was discussed, with directors generally in agreement that a backhoe is needed. The heavy expenditure in pipeline construction this fall could make the purchase impossible this year. The matter was tabled.

Bryan Klaseen asked if the Association had been approached by Jack Shea concerning development of land south of Highway 92 in the Payne Siding area. He said he had heard rumors of up to 150 homes being planned, and that Mr. Shea is looking for a domestic water source. The board seemed interested in hearing a proposal. Klaseen said he would advise Mr. Shea to contact the office.

Meeting adjourned at 9:50 p.m.

Respectfully Submitted Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

October 11, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. at Association Headquarters. Board members present were Jerry Figueroa, John Hawkins, Herman Kline, Bryan Klaseen, Ellis Fritchman and Kelly Peterson. Also present were Jerre Doss, Gary Noah, Mr. and Mrs. Billy Gibson, Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY John Hawkins

SECONDED BY Herman Kline to accept the minutes of the Board of Directors Meeting held on September 13, 1999.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY Herman Kline

SECONDED BY John Hawkins to accept the Cash Flow Report for September 1999

MOTION CARRIED with no opposing votes.

**End of Month Report and System Usage Report**

The reports were presented to the Board with little discussion

**Billy Gibson pipeline easement issues**

Dan Hawkins introduced Mr. and Mrs. Gibson, who reside at 1709 2550 Road. They own a parcel which combines the original lots numbered 3, 4, and 5 of the Lone Pine Subdivision. The Association has a four-inch main water line crossing their property along the lot line between #4 and #5. This pipeline was built not long after the subdivision, which was established in 1970.

The Gibsons are planning to construct a foundation for a double-wide mobile home just north of the pipeline. Hawkins is concerned that the planned foundation is too close to the pipeline to allow for maintenance, and the sewer line from the new home will cross the pipeline. Hawkins said he had sent a letter to the Gibsons requesting that the foundation be moved to at least ten feet from the pipeline.

Figueroa asked if the Association had a recorded easement for the pipeline. Dan Hawkins replied no, that although easements are mentioned on the official plat of the subdivision, they are not actually depicted on the plat. John Hawkins remarked that Lone Pine was one of the last subdivision to be developed before the current Delta County regulations were enacted. At that time, easements were not required to be platted.

Gibson displayed a copy of the restrictive covenants applied to Lone Pine. They provide for utility easements extending five feet on both sides of lot lines. Gibson contends that he is only required to allow a five foot setback from the lot line to be in compliance. He also contends that the pipeline is not within the five foot area from the lot line. Dan Hawkins said this could not be

proved without a survey to establish where the lot line is.

There was lengthy discussion. Figueroa pointed out that covenants are not binding upon utility companies, and that the length of time the pipeline has been on the property creates a legal implied easement. Kelly Peterson asked if the lots were combined into one parcel, if the location of the previous lot line made any difference now. John Hawkins asked the Gibsons why they are not willing to move the foundation a few more feet from the pipeline. Mr. Gibson stated that they would not remove any more trees from their property and if the Association wanted more room we would have to go to court to obtain it. The Gibsons then left the meeting, and the Board continued discussion.

Dan Hawkins said that attorney Aaron Clay was of the opinion that a court would grant a "reasonable" easement, but was unsure what would be deemed reasonable in this case. Kline asked how far the proposed foundation is from the pipeline. Hawkins replied that it appeared to be about six feet away. Hawkins also said the fact of the sewer crossing the pipeline was as much concern to him as the nearness of the foundation.

Dan Hawkins said that the short length of pipeline under contention could be removed from service without harm to the Association, at least in the short run. Gibbons's tap would need to be moved to a location on 2550 Road, but this would be the only tap affected by shutting down that section of line.

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to enforce a ten foot easement on either side of the water line.

MOTION CARRIED with no opposing votes.

### **Town of Cedaredge Agreement Update**

Jerry Figueroa introduced Public Works Supervisor Gary Noah, and Administrator Jerre Doss from the Town of Cedaredge. Figueroa said he had heard that the Town was considering action to deal with some raw water taps granted by the Town in the area north of the water treatment plant. He was concerned with the Association's possible liability in the matter, and wanted to learn how the taps came to exist, and what the plans are to satisfy them.

Gary Noah said that raw water taps are illegal, and that the Colorado Department of Health is aware of their existence, and is applying some pressure to have them removed. Noah said that any licensed water works operator, such as himself or Dan Hawkins or Dayton Myers is required by law to disconnect any such taps if they are discovered to exist.

Figueroa asked if the taps are old taps. Jerre Doss said the taps were granted by the Town in return for easement for the raw water line, when it was first constructed. John Hawkins said he believed the Association knew of the arrangement at the time. He also pointed out that the taps were not deemed illegal at the time they were granted, but have become so because of updated drinking water regulations.

Gary Noah said the current most favored solution is to pay to have wells drilled to supply good domestic water to the homes served by the taps. The wells would become the property and responsibility of the tap owners, and the raw water taps would be turned back to the Town, absolving the Town and Association of any further obligation. He said discussions with the tap owners have been proceeding favorably in that direction. He said other options, such as pumping

1 treated water back uphill from the treatment plant, or providing point-of-use treatment in all the affected homes would create perpetual cost and maintenance. Noah said he estimates the cost of the wells at about \$35,000, and has asked the Town Trustees for inclusion of that amount in next year's budget.

Figueroa asked if the Association would be expected to contribute to the expense of resolving the raw water tap situation. He said he felt that as co-owners of the raw water system, the Association should be allowed to consent to obligations incurred. Jerre Doss said he realized that the Association had been left out of many significant decisions in the past, but that a new relationship is being formed between the two entities that allows for greater Association involvement. He said the Town appreciates of the help and cooperation from the Association over the past two years.

The discussion moved to a proposed new operating agreement between the Town and USCDWUA. Doss said that a staff committee formed by Gary Noah is currently reviewing the draft proposal submitted by USCDWUA last year. Dan Hawkins advised that copies of the proposed agreement were available at the meeting and encouraged directors to take one home for review.

John Hawkins said he believed the Association should contribute financially to the resolution of the raw water taps, in return for the Town's active participation in getting a new operating agreement finished. Doss and Noah agreed that the Town would expedite its work on the agreement.

MOVED BY John Hawkins

P SECOND BY Herman Kline to contribute the Association's share of the cost of drilling three wells to eliminate the raw water taps above the treatment plant, with the understanding that the Town is committed to a new operating agreement with USCDWUA.

MOTION CARRIED, with no opposing votes.

### Construction Report

**Taylor Maudlin Extension 1742 - 2630 Road in Cactus Park:** Anna Maudlin owns two taps which served two homes through one meter. The service line to the homes was becoming restricted, and had to be left running every winter to avoid freezing. Mrs. Maudlin and her son-in-law Gerald Taylor wanted an Association line from 2630 Road to the houses, with two meters installed at the houses. They paid for the extension and it was made a association line. There were also some improvements made to the line at its connection on the road, with Anna Maudlin and Gerald Taylor paying half the cost of the improvements.

At the same time Gerald Wilcox's meter was moved to a more convenient spot out of the road, which also gave him more water pressure.

### 2725 Road Project

Dan Hawkins reported that Peterson Excavating, H&L Excavating and Hosea Richards Excavating submitted bids for the project. Peterson Excavating bid at \$3.50 per foot, or \$225 per hour. H&L bid at \$ 4.85 a foot, with an optional hourly rate, based on which machines were

used. Richards bid at \$ 4.00 a foot, with extra cost for transporting pipe and cleanup. Fritchman asked if there was any reason not to accept the low bid. Hawkins stated that the Association has never been dissatisfied with Peterson's work.

John Hawkins asked if it would be cheaper to contract with Peterson by the hour, or by the foot. Dan Hawkins replied that the job could theoretically be cheaper by the hour, but the per-foot price would at least be a known figure. He said the cost of construction, plus the additional materials yet to be purchased would be \$32,000. He estimated that the cash reserves at the end of the 1999 Fiscal Year would be \$62,000.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to contract with Peterson Excavating for the construction of the 2725 Road Project, at \$3.50 per foot.

MOTION CARRIED with no opposing votes.

Dan Hawkins said construction would begin in late October or early November, after irrigation water has stopped running.

### **Redlands Mesa Water Quality**

Dan Hawkins said that on September 16 he began blending water to Redlands Mesa from the new line. Twenty percent of Redlands Mesa water is from the new line - eighty percent from the old. Based on laboratory analysis, this does not constitute a health hazard, and it is hoped that taste and odor will not be excessive in the blended water. A second sample has been submitted for analysis to find out if the contaminants from the new line are decreasing.

Hawkins said he has been invited to address a meeting at the Redlands Mesa Grange October 12. Hawkins said he has heard that some Redlands residents are displeased with the decision to use the new pipeline. Figueroa said he has heard the same thing, and offered to go to the Grange meeting. Hawkins invited any other board members who wished to attend.

### **Jack Shea Development**

Dan Hawkins said he had met with Jack Shea and Mike Lowery concerning a development south of Redlands Mesa between Highway 92 and the Gunnison River. The 2,000 acre development is planned to conform to a resource conservation program, which, according to Shea, exempts it from Delta County Subdivision regulations. Approximately 150 acres will be dedicated to cluster housing development, with the rest reserved for agriculture or open land. Shea has asked if the Association could serve the development with domestic water.

Hawkins presented the Board with a memo estimating the costs of providing water to the development at \$520,000.00. This includes upgrades to the Redlands system necessary to accommodate the demand.

During discussion, it was brought out that the land comes with a water right from the Gunnison River, and that the developer has considered the option of building a water treatment plant. Most directors felt that the Association is under no obligation to extend its service territory, and that the developer does have another possible source of water.



MOVED BY Jerry Figueroa  
SECONDED BY Ellis Fritchman that the Association does not extend its service area south of Redlands Mesa.  
MOTION CARRIED with no opposing votes.

**Backhoe**

Dan Hawkins brought up the possibility of purchasing a backhoe from Benson Brothers. The machine has been rented for the past three months by the Association, used to fix leaks and other maintenance operations. Normally, Benson Brothers will apply 85% of rent fees toward purchase. But they have offered to apply 90% of the previous rent toward purchase. They will then accept a payment of \$16,000 which would comprise half the remaining purchase price. This payment would be considered rent in advance, and would be applied toward purchase if the remaining half is paid in the first quarter next year. If the Association does not pay the balance on time, then the \$16,000 will be considered rent, and can only be applied 85% toward purchase.

Kline asked what kind of backhoe and its condition. Hawkins said it is a Caterpillar model 428B, with 2,000 hours. It is four wheel drive, and has a clamshell front bucket with built in forks, and an extendable dipper stick on the back. Hawkins said the machine was used during the construction of the water treatment plant, and seems to be in good condition.

Fritchman said he did not see how a water company could expect to operate without a backhoe. John Hawkins said the machine would save considerable money, and could be useful in working on springs on Grand Mesa.

MOVED BY Kelly Peterson  
SECONDED BY Bryan Klaseen to purchase the Benson Brothers backhoe. Fifty percent of the remaining purchase price will be paid now, and the remainder in the first quarter of 2000.  
MOTION CARRIED with five ayes - Ellis Fritchman abstained.

Meeting Adjourned 10:15 p.m.

Respectfully Submitted  
Dan A. Hawkins



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

November 8, 1999

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. at Association Headquarters. Board members present were Jerry Figueroa, John Hawkins, Herman Kline, Bryan Klaseen, Ellis Fritchman, Wayne McPherson and Kelly Peterson. Also present were Betty and LeRoy Nelson, Dan Hawkins and Helen Hawkins. Mr. and Mrs. Nelson said they were present to observe, and Chairman Figueroa welcomed them to the meeting.

**Minutes**

A correction was made to the October 11, 1999 minutes. On page five of the minutes the motion that the Association does not extend its service area south of Redlands Mesa was made by Jerry Figueroa not Bryan Klaseen. In addition Bryan Klaseen had abstained from voting. The corrected minutes are to show the motion passed with five ayes and one abstention.

MOVED BY Herman Kline

SECONDED BY Wayne McPherson to accept the minutes of the Board of Directors Meeting held on October 11, 1999 as corrected.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins pointed out that the high figure for postage this month was due to purchasing postcards for the annual meeting, and the cost of mailing the CCR - Consumer Confidence Report -to the members of the Association.

MOVED BY Bryan Klaseen

SECONDED BY John Hawkins to accept the Financial Report

MOTION CARRIED with no opposing votes.

**End of Month Report and System Usage Report**

The reports were presented to the Board with little discussion

**Off Redlands Mesa Tap Requests**

Dan Hawkins said he had received two requests for taps off the south side of Redlands Mesa. The first was from James Maxwell, who lives just north of the railroad track about a mile and one half south of Ed Stewart, who is currently at the end of the water line. Stewart's meter is currently read from the top of Redlands Mesa, requiring no additional travel. If Maxwell is granted a tap, a round trip of more than ten miles will be required to read the Stewart and Maxwell meters. In order to extend the pipeline from Stewart to Maxwell, an easement would need to be obtained from Stewart.

Wayne McPherson said he was worried about extending our service boundary at a time when we recognize the need to increase our proportion of the water treatment capacity, and are negotiating with Cedaredge to do so.

Ellis Fritchman said he believed the Board had voted not to extend the boundary past Redlands by denying service to the proposed Jack Shea development south of Highway 92.

John Hawkins said the board needs to be aware that the property presently owned by Maxwell was originally promised a tap when the Redlands system was built. The amended Articles of Incorporation described the line to what is presently Bud Stewart's, with possible extension to the property now owned by Maxwell.

The stock certificate was never issued, at the request of the land owner at that time. Assessments were paid for a while on the un-issued tap, then dropped. Hawkins said the Association could be seen to have an obligation to serve the property because of this

After further discussion, it was

MOVED BY Herman Kline

SECONDED BY Ellis Fritchman to deny James Maxwell a tap.

MOTION CARRIED with no opposing votes

Dan Hawkins said the second request for off-Redlands service was from John Hotchkiss, the owner of Shamrock Ranch, which is located on a bench on the south slope of Redlands approximately lined up with 2750 Road. The ranch has a well, but it is unsuitable for domestic purposes, and water is being hauled for the house. Mr. Hotchkiss said he planned to use the well for all operations on the ranch other than the house.

Bryan Klaseen pointed out that there are several buildings on the ranch, some of which may be bunkhouses, and that the owner will need to be made aware of the requirement for a separate tap for each dwelling.

Jerry Figueroa said that we can probably expect more requests for off-Redlands service. He noted that the Leroux Creek area is developing rapidly, with no domestic water system. He said the Association may have its hands full with what territory we have.

John Hawkins said the Shamrock Ranch actually extends on to the top of Redlands, and could therefore be seen as a Redlands tap. He also asked if the meter could be installed on Redlands so as not to extend the meter reading route. Dan Hawkins said Mr. Hotchkiss wants to install the meter at the Kuntz property at the south end of 2800 Road. The meter could be read at the same stop as the Kuntz meters. Mr. Hotchkiss told Dan Hawkins he is presently negotiating with Kuntz for pipeline right-of-way.

MOVED BY John Hawkins


SECONDED BY Bryan Klaseen to approve the sale of tap to Shamrock Ranch provided that the Ranch builds its pipeline to the south end of 2800 Road and makes the necessary arrangements for right of ways.

MOTION CARRIED no opposing votes

### **Construction Report**

Dan Hawkins reported that Brad Peterson will be ready to start the 2725 Road project this week.

Figueroa asked Hawkins if the easements were in place. Hawkins said that Steve Hennessy has been working on this and that the easements were in place.




## **Redlands Water Quality**

Jerry Figueroa said that he, Herman Kline, Bryan Klaseen, and Dan Hawkins had attended a meeting at the Redlands Grange October 12 to discuss the status of the new Redlands pipeline and its taste and odor problems. He said the tone of the meeting was positive, and that he has since spoken with people who attended and feels that they are satisfied that the Association is handling the situation adequately.

Dan Hawkins said that two letters have been received. One was presented at the meeting, and although not signed, is believed to be from Danielle Carre Burritt, who did not attend the meeting. The second was received by mail after the meeting, from Bob and Gini McNair. They were unable to attend the meeting, but wanted the Board to know that any contamination was unacceptable. They were contemplating buying a filter system for their house.

Hawkins said he had received a letter from the Colorado State Health Department. The State said they do not have jurisdiction over aesthetic qualities of taste and odor, only health issues. The letter confirmed that the measured levels of contamination from the pipeline are below the maximum levels specified by the EPA and State. The letter offered several solutions to the problem, some of which have been discussed by the board already, including replacing the entire pipeline, or siphoning. They also suggested an activated carbon filter on Redlands, which would require re-chlorination, and the possibility of some kind of chemical treatment of the line. The State recommended consulting with the pipe manufacturer about such a treatment.



Hawkins said he received a letter from Fred Dill, a Redlands member who is a practicing attorney in California. Mr. Dill offered his assistance if the Board determines that litigation is necessary to solve the problem.

Hawkins said the latest analysis shows that the contaminant levels are dropping, especially when the water is blended with the old pipeline output. He said that sampling will continue in order to determine if the situation is clearing up on its own.

## **Billy Gibson Line**

Jerry Figueroa said that he and Dan Hawkins had met with Mr. Gibson at his homesite the day after the October Board meeting to try to resolve the issue of where Mr. Gibson should place his double-wide home foundation in relation to the water line. It appeared that Mr. Gibson would not move the requested ten feet from the line, but is now planning to build about six to eight feet away.

Dan Hawkins asked for advice from attorney Aaron Clay, who said that obtaining the additional few feet in court would probably be difficult. Hawkins asked Clay if abandoning the line was a reasonable course of action. Clay advised against the term "abandon," but suggested that the Association could discontinue use of that section of the line, and require Billy Gibson to relocate his meter to the line along 2550 Road. Hawkins said he had polled most of the Board on that question, and all that he reached said to go ahead and plug off that section of line that is too close to Gibson's home.

Dan Hawkins then asked the Board if the line should be permanently plugged, or isolated with valves, in order to be available again in the future. Kelly Peterson asked, if the situation is unsafe or undesirable, why not cap the line permanently. John Hawkins said that we don't know what the situation will be in the future, and it is wise to keep facilities useable in case of emergency.

There was much discussion, then  
MOVED BY Jerry Figueroa,  
SECONDED BY Bryan Klaseen to permanently cap the line and abandon it.  
MOTION FAILED by a vote of three aye, four nay.

There was further discussion. Kelly Peterson asked if it was more expensive to valve or cap the line. Dan Hawkins said the excavation would be the same, the only difference being the cost of valves.

MOVED BY Kelly Peterson,  
SECONDED BY Ellis Fritchman to discontinue the use of the line by installing valves on either end of the segment through Billy Gibson's property, and securing the valves against tampering as much as practical.  
MOTION CARRIED by a vote of four aye, three nay.

### **Cedaredge Update**

Dan Hawkins said the Town of Cedaredge has Gary Noah and members of his staff working on the draft operating agreement proposed by the Association. Progress has been slow, and there will be no meeting with the Association Board on November 9, as had been contemplated. Hawkins said that so far, the Town has questioned whether both entities have common ownership in all the springs and raw water collection facilities. Jerry Figueroa suggested that it should be spelled out clearly in the agreement that both entities share in the raw water system, including all springs, intakes, pipelines, etc. The Town had also asked if the Association's stored water rights had been converted to domestic use, from irrigation. Hawkins said that this has been done on the #1 decree flow water, but not on the stored water. Generally, the Board agreed that this is not necessary.

Jerry Figueroa suggested that the Agreement be on the agenda for a board meeting December 6, and if the Town is ready to attend that is fine. If not, he urged all board members to study the draft agreement and bring their comments to the meeting.

### **Budget 2000**

Dan Hawkins said he had several capital construction projects in mind for fiscal year 2000. He listed valve box rebuilding at two locations on Redlands Mesa and one on Cedar Mesa, extending a new line west on R-75 Road to Surface Creek, a new line south from Harfst on 2420 Drive to Bob Phillips, the completion of the 2475 Road Project, the rehabilitation of some springs in cooperation with the Town. He said if everything on the list could be completed, the capital construction budget could run to \$130,000.00.

Dan Hawkins then spoke briefly on the Operations portion of the budget. He said that he has investigated possible retirement plans for the Association. He said the most suitable is known as the SIMPLE IRA, which allows the employer to match the employee's contribution to an individual retirement account up to a maximum of 3%. The employees may divert more than 3% of their paycheck into the IRA, but the Association's maximum contribution would remain at 3%. The IRA would be in the custody of a financial institution, to whom the Association makes a single monthly payment which includes employee and employer contributions. The employees are entitled to instruct the custodian in how to manage the IRA.

Dan Hawkins said he felt the board needed to discuss the present payments to John Hawkins in light of a general discussion of retirement benefits. Jerry Figueroa asked that John Hawkins, Helen Hawkins, and Dan Hawkins leave the meeting temporarily in order for the Board to discuss the matter.

Upon returning to the meeting, Dan Hawkins was instructed to include the SIMPLE IRA plan in the 2000 Budget, and to continue to budget \$500 per month to John Hawkins as a Consulting Fee.

Meeting adjourned at 10:45 p.m.

Respectfully Submitted

Dan A. Hawkins

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**  
1717 Co. Rd. 2535  
December 6, 1999 - Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were Jerry Figueroa, John Hawkins, Ellis Fritchman, Wayne McPherson and Kelly Peterson. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Wayne McPherson

SECONDED BY Kelly Peterson to accept the minutes of the Board of Directors meeting held on November 8, 1999.

MOTION CARRIED with no opposing votes.

**Financial Report**

Figueroa ask about Sorrento Heights. Dan Hawkins explained that Jack Zimmerman has purchased two more taps and that Zimmerman has placed \$ 18,000 in an escrow account for three more taps. USCDWUA will be reimbursed for construction costs.

MOVED BY John Hawkins

SECONDED BY Ellis Fritchman to accept the November 1999 Cash Flow Report

MOTION CARRIED with no opposing votes

**End of Month Report**

**Redlands Water Quality Report**

Dan Hawkins reported on the Volatile Organic Chemical analysis done on Redlands Mesa November 16, 1999. Of the seven contaminants that were found in water from the new Redlands Mesa pipeline, four are no longer being detected and the remaining contaminants show significantly lower levels. The test results were sent to the Redlands Mesa users. Another test will be taken in January. The cost of each test is \$ 200. Dan Hawkins gave the Board members copies of letters from Bob and Ginny McNair, The State Health Department, and an anonymous letter expressing concern about the quality of the Redlands Mesa water.

**Backhoe Purchase**

Dan Hawkins said that the original agreement for a rent-to-purchase the Cat 428 backhoe from Benson Brothers was proving to be costly, because of ongoing taxes and fees that apply to a rental. He had therefore asked Benson Brothers to agree to a straight purchase agreement terminating March 31, 2000. The outstanding balance on the machine is about \$16,150, which will accrue interest at the rate of 7.5% annually. The balance may be paid at any time before 3-31-2000.

John Hawkins asked why we shouldn't pay the balance off immediately. Dan Hawkins said he wasn't sure if he could do that, knowing that some remaining bills for the 2725 Road line would be coming in.

MOVED BY John Hawkins

SECONDED BY Jerry Figueroa to pay Benson Brothers for the backhoe as soon as possible.

MOTION CARRIED with no opposing votes.



### **Cedaredge Agreement**

Dan Hawkins read a letter addressed to Cedaredge Public Works Supervisor Gary Noah. The letter was forwarded to Hawkins, since the area in question is considered to be USCDWUA territory. The letter was from Christenson Homes and Development, Inc. The corporation owns a parcel of property (approximately 40 acres) immediately to the north and west of the water treatment plant. Christenson is having electricity extended into the area, and plans to build four homes. They were inquiring of Noah whether water taps would be available.

Noah had suggested to Hawkins that if four new taps plus the three taps currently installed on the raw water line could be incorporated into a project funded by Christenson, it might be feasible to pump water from the treatment plant uphill to a tank that would serve all the taps. This could be an alternative to the proposal to drill wells for the existing tap holders on the raw water line.

John Hawkins said that if such a project were undertaken, it would need to be sized large enough to provide for more than just the initial seven taps. Jerry Figueroa said he did not want to establish a service area uphill from the treatment plant. Wayne McPherson asked what size pumps would be required to fill the tank. Dan Hawkins said he could not give an answer yet.

Generally, there was reluctance on the part of the Board to expand the Association territory above the filter plant. It was generally agreed that, before giving the Christenson matter further consideration, we should find out if drilling wells will provide a solution to the existing taps on the raw water line

The Board then discussed the draft operating agreement with the Town of Cedaredge. Jerry Figueroa suggested that the definition of commonly owned facilities should specify and name all the springs. Presently, documents show that the springs belong to Cedaredge. He would also like to change the wording of "Treatment Plant" to "Treatment Plants". Kelly Peterson said he would like to see the address of the plants included in the agreement.

Jerry Figueroa said the document should make it clear that "joint Ownership" means that neither party can make contracts or commitments with out a written consent of both parties. Dan Hawkins said that the present agreement gives USCDWUA veto power over any common system expenditure over \$2,000. It was suggested that Aaron Clay be consulted about how much cost Cedaredge can incur without USCDWUA approval, and to write any change in the wording about common ownership..

Wayne McPherson ask if the effort to purchase 5% more ownership in the common system was dead. Jerry Figueroa said that the Town will need an election to approve the deal, and have not shown a lot of interest in placing the question on a ballot so far.

Dan Hawkins stated that somehow USCDWUA needs to protect itself for future growth. He said he thinks that after Cedaredge finishes their new transmission line, USCDWUA will be using 30% of the treated water.

Jerry Figueroa pointed out that sometime in the future USCDWUA may have to build its own treatment plant.

### **Construction Report**

Dan Hawkins reported that the 2725 Road pipeline was complete to the cattle guard south of Harry Vaughan. He said he expected the remaining stretch to be completed within a week.

### **Subdivision Report**

Bradshaw Parcel C Minor Subdivision: This is located at 1806 2550 Road, about one mile

north of Association headquarters. A five acre parcel will be created at that address, requiring a water tap. Dan Hawkins suggested that a right-of-way easement be specified along the west side of the property fronting 2550 Road. This would provide a possible route for a future pipeline heading toward Cactus Park and 2725 Road.

Thumper Heights Minor Subdivision (Mark Fairchild): Located on the north side of Q-50 Road, between Panorama Heights and Sorrento Heights subdivisions. Three lots will be created, one of which is presently served by a water tap. Two additional taps will be required. Dan Hawkins suggested that a right-of-way easement be specified along the south side of the property fronting Q-50 Road.

MOVED BY Jerry Figueroa

SECONDED BY Ellis Fritchman to approve the sale of taps to for the Bradshaw and Mark Fairchild minor subdivisions, and obtain the easements as discussed.

MOTION CARRIED with no opposing votes.

### **Kennedy and Coe CPA**

Jerry Figueroa said he was in favor of having a thorough review of the Association's books and accounting practices. He said he had contacted the CPA firm of Kennedy and ~~Coe~~<sup>Coe</sup> of Montrose, CO, and had obtained a cost estimate from them to come into the Association office and perform an on-site review. They would then present the results of their review to the Board at a regular meeting. The estimated fee is \$3,600 plus out-of-pocket expenses. There was some discussion about what the out-of-pocket expenses might be.

MOVED BY Jerry Figueroa

SECONDED BY Wayne McPherson to have the Kennedy and Coe CPA Firm review the Association Books providing that the cost does not exceed \$ 4,000 and the "out of pocket costs" are reasonable.

MOTION CARRIED with no opposing votes.

### **Budget for FY 2000**

Dan Hawkins presented the budget for Fiscal Year 2000. Amendments offered by the Board were:

1. Increase the Legal and Professional Fees expense from \$2,000 to \$5,000 to allow for the increased CPA fees.
2. Increase the Assets-Building and Land expenditure from \$4,000 to \$14,000 to allow for constructing a fence around the Headquarters property.
3. Decrease the Assets-Distribution System expenditure from \$100,000 to \$90,000 to offset the increase in Building and Land
4. Show the Cash Reserves at the bottom of the Budget.

MOVED BY Kelly Peterson

SECONDED BY John Hawkins to approve the Budget for Year 2000 as amended

MOTION CARRIED with no opposing votes.

Meeting adjourned 10:30 p.m

Respectfully Submitted

Dan R. Hawkins

UPPER SURFACE CREEK  
DOMESTIC WATER USERS ASSOCIATION

Minutes of Board Meeting  
December 14, 1999

The meeting was called to order by Jerry Figueroa at 9:30 pm. immediately following the Annual Stockholders meeting at the Cedaredge Community Center. All directors were present, except for Ellis Fritchman. The primary purpose of the meeting was to organize the Board and appoint a Secretary-Treasurer.

MOVED BY Wayne McPherson,  
SECOND BY Kelly Peterson to elect Jerry Figueroa Board President.  
MOTION CARRIED with no opposing votes.

MOVED BY Kelly Peterson,  
SECOND BY Wayne McPherson to elect Herman Kline Board Vice-President  
MOTION CARRIED with no opposing votes.

MOVED BY Jerry Figueroa  
SECOND BY Bryan Klaseen to appoint Dan Hawkins Secretary-Treasurer.  
MOTION CARRIED with no opposing votes.

Dan Hawkins said John Hotchkiss had requested that the Association obtain a County Utility permit along M-50 Road from 2800 Road west about one-quarter mile. Hotchkiss had been unable to obtain the permit as a private party. The permit would cover a pipeline to serve the tap which has been granted to Shamrock Ranch, over the south edge of Redlands. Hawkins asked if the Association should upgrade the line to a four-inch size and assume ownership of the line.

MOVED BY Bryan Klaseen  
SECOND BY John Hawkins to obtain the County permit and upgrade the size of the pipeline along M-50 road to four-inch. John Hotchkiss is to pay for line construction and the cost of 1-1/2" pipe.  
MOTION CARRIED with no opposing votes.

Meeting adjourned at 9:45 pm.

Respectfully Submitted,



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Dan A. Hawkins, Secretary-Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

January 10, 2000

**Board of Directors Meeting**

Jerry Figueroa called the meeting to order at 6:35 p.m. at Association Headquarters. Board members present were Jerry Figueroa, Wayne McPherson, Herman Kline, John Hawkins, Ellis Fritchman, Bryan Klaseen and Kelly Peterson. Also present were Dan and Helen Hawkins.

**MINUTES**

MOVED BY Wayne McPherson

SECONDED BY Bryan Klaseen to accept the minutes of the Board of Directors meeting held on December 6, 1999.

MOTION CARRIED with no opposing votes.

**FINANCIAL REPORT**

Dan Hawkins pointed out that the cost of the 4" pipe for the Hotchkiss Ranch project will be reimbursed by John Hotchkiss. He also said there is \$18,000 in escrow from Jack Zimmerman which will be sent to USCDWUA in January for the purchase of three more taps for Sorrento Heights.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to accept the December 1999 Financial Report.

MOTION CARRIED with no opposing votes.

**EOM**

The Board reviewed the End of Month Report.

**CONSTRUCTION REPORT**

**2725 Road** -Dan Hawkins reported that the 2725 Road pipeline had been placed into service but was immediately shut down due to a blowout at the south end. The problem was a dresser coupling which became cocked due to slight misalignment of two pipe ends. The problem was fixed with a longer coupling and realigning the pipe. The pipe will be pressurized again after some time is allowed for the soil to firm up at the repair site.

Hawkins said the final cost of the project is slightly over the amount of \$121,000 which was estimated in July of 1999.

**Surplus Cedaredge tank** - Dan Hawkins reminded the Board that the Town of Cedaredge has offered to give the Association a 30,000 gallon steel water tank at no charge, provided it can be removed by July 2000. He said that the new Town pipeline has just passed the tank site, and that there is good access to the tank now. If the weather will permit, this would be a good time to remove the tank.

Hawkins said Doughty Steel has estimated a cost of \$1,800 to move the tank to

Association headquarters. DMEA has estimated a cost of \$300 to \$400 to lift power lines out of the way. The telephone company has not yet been contacted.

There was discussion of what use the Association has for the tank. Upper Redlands was identified as the most likely spot to use it. It was brought out that, although the tank is free, there will be considerable cost in moving, installing, and reconditioning the tank. Still, it was generally agreed that the cost would be considerably less than building a new tank.

MOVED BY Bryan Klaseen

SECONDED BY Ellis Fritchman to move the tank to 1717 - 2535 Road.

MOTION CARRIED with no opposing votes.

**M-20 Road** - Hawkins said that John Hotchkiss' planned route for a new line to the Shamrock Ranch south of Redlands involved a stretch along M-50 Road from the intersection with 2800 Road running about 1000 feet west. Hotchkiss was unable to obtain a utility permit from Delta County, because it was a private line. The landowner, David Kuntz was unwilling to grant a private easement off the roadway. Therefore the Association has provided 4" pipe for that portion of the Shamrock line that lies within the road, and will incorporate that portion into the system. The pipeline is finished and in service.

An obstacle to pipeline construction in the road right-of-way was a buried telephone cable. Hawkins said that TDS Telecom cooperated by temporarily stringing a phone cable on top of the ground. This allowed the underground cable to be destroyed while digging the pipeline trench. The above ground cable was laid in the trench with the water line before backfilling.

**Redlands Mesa Line**- Hawkins reported that the majority of the water on Redlands is now flowing through the new pipeline. A water sample will be taken for another VOC analysis as soon as the air created by the 2725 road break has worked its way out of the line.

### **Bill Waldron Tap - Upper Redlands**


Bill and Sallie Waldron are planning to buy the "Barney Place" which lies on the east edge of Redlands at the end of P-50 Lane. He has inquired about the availability of a water tap, and what conditions the Association might place on the tap.

Dan Hawkins said there is only about 50 feet of elevation decrease from the upper Redlands tank to the proposed building site. This is likely to cause inadequate pressure, requiring the Waldrons to provide their own pressure system.

John Hawkins said that any pipeline built to serve the tap should be an Association line and should be oversized to accommodate future taps. There was discussion of the best route for a pipeline. It would be about the same distance to go north from P-50 to the upper Redlands tank, or to go west along P-50 to a point where the 3" line to the upper tank leaves P-50 and heads across country to the tank. There would be no difference in service to the new tap either way, or no difference to the operation of the system. It is believed there are some potential future taps south of P-50 on the former Jane Dunbar place. Jerry Figueroa said that made P-50 Road the preferred route for the pipeline.

MOVED BY Jerry Figueroa

SECONDED BY Kelly Peterson to approve selling Waldrons a tap provided that (1) they



agree to construct a line to Association specifications and (2) they sign a letter of agreement that due to the elevation, the Association cannot guarantee adequate pressure. Although the preferred route is along P-50 Road, Dan Hawkins should use his best judgment in routing the pipeline.


MOTION CARRIED with no opposing votes.

### **Little Giant Reservoir**

Dan Hawkins said he has had discussions in the past with Jack Stanford and his sister, Vicki Stanford regarding their plans to rehabilitate the Little Giant reservoir. The project would involve improving and using the access along the raw water pipeline which collects from numerous springs in that area. Hawkins and George Fulton of the Town of Cedaredge have indicated to the Stanfords that we are interested in the issue of access because of contemplated work on the springs.

Recently, the Association and Town have been provided copies of correspondence between Stanfords and the U.S. Forest Service. The process of applying for permits is underway, and it appears that the reservoir construction might take place in 2000. According to the Stanfords, the Little Giant will have to be breached if it cannot be repaired this year.

There was discussion of what role the Association should take in this situation. It was recognized that the type of equipment needed to rebuild the Little Giant would require more road building than what the Town and USCDWUA would likely need. It was also brought out that the existing pipeline needs to be protected from damage during road building and travel.



The general consensus of the Board was that the Town of Cedaredge should be the entity to deal directly with the Forest Service. Dan is to work with the Town to assure that our interests are represented.

### **IRA Custodian**

Dan Hawkins asked the Board to appoint a custodian of the retirement funds. Hawkins said that, while researching retirement programs, Merle Lynch had been the most helpful and knowledgeable. He said the employees all favored retaining Merle Lynch as the administrator of the retirement program. The end recipient of the money would be the securities corporation of Donaldson, Lufkin and Jenrette. The funds paid in will be insured to \$100,000 by SFIC, a body similar to FDIC, but applicable to the securities business.

MOVED BY Jerry Figueroa


SECONDED BY John Hawkins that Merle Lynch be the custodian of the IRA deposits.

MOTION CARRIED with no opposing votes.

### **Inventory**

There was discussion about the need to have an inventory accounting system. It was felt that suggestions should be sought from CPA Dennis Rowland when he visits the Association office January 19 to begin his review.

### **Other**



Jerry Figueroa urged the Board to be forthcoming in discussing and questioning issues. He said he felt that the backhoe purchase was a case in point. He felt that the price paid was

more than the market value, and that might have been avoided by more thorough discussions before making a decision. He said the Board relies a great deal on the manager, but each member ought to bring his own expertise and knowledge into the discussions to insure the best decisions are made.

The meeting adjourned at 8:30 p.m.

Respectfully submitted



Dan A. Hawkins Secretary



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

February 14, 2000

Board of Directors Meeting

Herman Kline called the meeting to order at 6:45 p.m. at Association Headquarters. Board members present were Wayne McPherson, Herman Kline, John Hawkins, Ellis Fritchman, Bryan Klaseen, Kelly Peterson and Jerry Figueroa. Also present were Dan and Helen Hawkins, Pete Kurtz, Charlene Clay, Carma Newton and Lloyd Knowles.

**MINUTES**

MOVED BY Wayne McPherson

SECONDED BY Bryan Klaseen to accept the Minutes of the Board of Directors meeting held on January 10, 2000, as written and delivered to the directors.

MOTION CARRIED with no opposing votes.

**FINANCIAL REPORT**

The January 2000 Cash Flow Report was reviewed, and the following points discussed:

1. New taps: Late in 1999, Jack Zimmerman had placed \$ 18,000.00 in escrow for three taps in Sorrento Heights. That money was disbursed to the Association and three taps were purchased.

2. Postage: Hawkins stated that the envelopes used for statements are purchased from the U.S. Postal Service with a stamp and the Association return address printed on them. The cost of the envelope is three cents plus postage. He said that is the cheapest and most convenient way the office has found for mailing bills and other correspondence first class.

3. Backhoe: Hawkins gave the Board a written summary of the Backhoe costs. The total cost of the backhoe since July, 1999 to the final payment in January 2000 was \$42,094.30, including purchase price, rental, tax, and SMM fees.

4. Pressure regulators: Hawkins said that the Roll Seal brand regulators were purchased to reduce the high pressure in the new 2725 Road pipeline where it feeds into the Currant Creek - Dry Creek line. The regulators are more expensive than the Clay-Val brand normally used, but they handle high pressure drop and low flows better.

5. IRA entries: Dayton Myers is contributing 5% of his check for the IRA, Dan and Helen Hawkins are each contributing 3%. The Association matches up to 3%.

Bryan Klaseen asked about the ROW from D. Seavers. Dan Hawkins explained that it was along the west side of 2550 Road, about 3/4 mile north of R Road, intended for possible future use. Klaseen then asked if the cost shown for tank removal represented the total cost of moving the tank from near Gerald Loucks. Hawkins said the cost was for DMEA prepayment and the cost of welding some lifting eyes on the tank.

MOVED BY Bryan Klaseen  
SECONDED BY Kelly Peterson to accept the Cash Flow Report  
MOTION CARRIED with no opposing votes.

### **EOM**

The Board reviewed the End of Month Report. Five new memberships were granted in January, bringing the total to 762. All five new memberships were previously approved for subdivisions.

### **MULTIPLE DWELLING ISSUES**

Dan Hawkins introduced Pete Kurtz, representing Donald Rogers of 1512 2900 Road, Redlands Mesa. Hawkins said he had noticed three homes on the Rogers property, and knows that at least two of them are connected to an Association tap. He said he had discussed the situation with Mr. Kurtz, Donald Rogers' son-in-law, who lives in one of the houses connected to the tap. He said Mr. Kurtz seemed willing to purchase a tap, but needed some time.

Mr. Kurtz said he had not been aware that connecting his home to Mr. Rogers' tap was a violation of Association policy. He said he would buy a tap, but needed either an installment payment plan, or time to raise the money.

Jerry Figueroa asked if two more taps are needed, since there are three homes at the site. Kurtz replied that the third trailer house was served by a water tank filled by hauled water. Jerry asked if the property was in Kurtz's name. Pete said it is apparently a single parcel considered to be jointly owned by three parties, but he did not know how the deed is worded.

John Hawkins said he would rather give Kurtz time to come up with the money than to take installment payments. Bryan Klaseen agreed, suggesting four months or longer be allowed. He noted that Kurtz wants to get the situation cleared up.

MOVED BY JERRY FIGUEROA.

SECONDED BY Bryan Klaseen that Pete Kurtz or Donald Rogers be given 150 days to purchase an additional water tap or come back to the board in four months to give the Association an update. Pete Kurtz is to give Dan Hawkins an update on his situation within two months.

MOTION CARRIED with no opposing votes.

Next the Board considered the case of Carma Newton, whose property is at 2568 M50 Road on Redlands Mesa. Dan Hawkins introduced Mrs. Newton, her daughter Charlene Clay, and Lloyd Knowles, who said he had knowledge of the property and was present to assist.

Dan Hawkins said there are two memberships serving three houses at the address. He said in 1972, when the Newtons purchased the property from Harold and Irma Paulson, there were two houses and two water taps, but only one was physically installed. The Paulsons lived in what will be called the "new house" in these minutes, and had abandoned what will be called the "old house." Both houses were connected to one tap. At the time of the sale, the Paulsons moved one of their memberships away from that address. Since then, the old house has been renovated and is noticed to be frequently occupied. The new house has been occupied continuously by John and Marion Stover, who lease the farm from Mrs. Newton. Mrs. Newton has recently

placed a modular home at the address, and has purchased a tap for it, which has been separately connected to the main line. The old house and the new house remain connected to a single tap.

Mrs. Newton and Mrs. Clay said they thought they had received two water taps with the property when they purchased it from Paulsons. Jerry Figueroa asked if a stock certificate existed for the second tap. Mrs. Newton said she thought so, but could not find it. She said Paulsons had told her that the Association would send papers verifying the number of taps, but she had never received anything.

Mrs. Clay said the additional tap was called an "overage" tap, and that Paulsons paid an extra monthly charge for it. She asked Dan Hawkins if he had found in the records where Paulsons paid an additional monthly charge. Hawkins replied that it was true, but it was for additional water, not a second tap. He said identical charges were billed to some other Redlands Mesa residents.

John Hawkins explained that in 1972, Redlands Mesa was served by a dole system instead of the present metered pressurized system. Each tap delivered a measured amount of water into the owner's cistern. The owner pumped the water into their house. If a member needed more water than the standard dole valve provided, they could pay an additional monthly charge. Kelly Peterson asked if an overage tap meant a larger size dole. John Hawkins said yes. He said the arrangement never implied ownership of an additional tap. He said the practice of allowing extra water to Redlands taps was authorized by the Board of Directors.

Lloyd Knowles said he had considered buying the Paulson property, and was also told that two water taps would go with it. Dan Hawkins said there is no evidence in the stock ledger to indicate that any additional tap ever existed. He asked Mrs. Newton if she had looked through the stock ledger herself, and she agreed that she had.

Jerry Figueroa said all the Association can go by is what is on the record. He said the Association is not privy to deals between buyers and sellers, and cannot be bound by agreements which are not reflected in the stock record.

Charlene Clay said that since the two houses had been connected together from the beginning, an extra tap should be grandfathered in. She asked why the Association never discovered the situation until now. Kelly Peterson asked why the Newtons had never discovered it. John Hawkins said that the Newtons have signed several membership applications over the years, and the rule of one dwelling per tap is clearly stated on the application.

Carma Newton said the Association should sell her a new tap for \$1,000 because that was the price in 1972. Kelly Peterson said that if a tap had been purchased at that time, the monthly charges would have amounted to more than \$4,000 by now.

Charlene Clay said that Dan Hawkins had threatened in a letter to turn off the tap serving the new modular home. She said that tap was not involved in this discussion, and the Association had no right to turn off any tap on which all bills have been paid. Jerry Figueroa assured her that Mrs. Newton would be given fair notice before any action was taken. He then asked that the Board be allowed to discuss the matter privately. All visitors then left the meeting.

Dan Hawkins said that a similar situation existed with Mrs. Jan Greene, who lives on 2725 Road. Mrs. Greene purchased a parcel with two houses, formerly served by two taps. One of the taps had been moved to a different area of the system. Mrs. Greene began using the extra house, and purchased a new tap for it voluntarily, after reading one of the monthly newsletters on that topic.

Jerry Figueroa asked if the Association is partially responsible for the Newton situation. John Hawkins said he believed the old house was unused for years, and was recently renovated. Bryan Klaseen agreed, saying that lately there have been people in and out of it all the time.

Ellis Fritchman said he noticed that, in addition to the old house, the new house, and the modular home, that there is a large motor home parked on the property that may also be using domestic water.

Wayne McPherson said other people have been made to buy taps in similar cases, and the Board should be fair to them. Herman Kline agreed, saying one of them, Pete Kurtz, had just left the meeting.

MOVED BY John Hawkins that (1) the manager is directed to write a letter to Carma Newton and Charlene Clay stating that the board is firm in the position as stated in the Membership Application: "... Water used from this membership will be used for one household only, and that if additional homes that are to be built or placed on the property and are to be served by this Association, I agree that applications will be made for additional memberships." (2) That Carma Newton must purchase a water tap. If a tap is not purchased with 60 days water service will be discontinued to the two houses affected by Stock Certificate #1121 (so called new house and old house)

SECONDED BY Wayne McPherson

MOTION CARRIED with no opposing votes.

It was agreed that copies of the letter should be sent to Aaron Clay and to John and Marion Stover.

## CONSTRUCTION REPORT

### T-50 Road

Dan Hawkins said the new Cedaredge 12" transmission line project had destroyed a section of Association line along T50 Road near the home of Don Peterson. The Town has agreed to pay all costs of replacing the damaged 2" line with 4" line. Meanwhile, Don Peterson and his neighbor Gary Richardson had paid the Association to install a fire hydrant near their homes. The best location for the hydrant would require extending a 4" line from the main about 100 feet in the direction of the new section of 4" provided by Cedaredge.

Dan Hawkins took Jerry Figueroa to the site, and also conferred with Herman Kline, who was working on the Cedaredge project, and with John Hawkins, who was familiar with the situation. They agreed that it would be advisable to replace some more 2" line with 4" to create a solid section of 4" line. This would require 265 feet of line construction.

The project is complete and pressurized. Dan Hawkins presented the Board with a summary of cost, showing a net cash expenditure by IISCDWIA of \$624 plus the use of the Association backhoe. Herman Kline said it was cheap and will improve service along T50 road and 2375 Road.

Kelly Peterson asked if the new line caused the brown water in the Surface Creek area. Hawkins said yes, and that he was planning a flushing program on the entire system

this spring.

### **30,000 Gallon Tank**

Dan Hawkins said that lifting eyes were welded onto the tank by Grant Peterson, and that DMEA had charged \$300 up front for escorting the tank when it is moved. TDS Telecom has requested an \$1,800 deposit, to be refunded in part if not required. That deposit has not been paid yet. There has been difficulty coordinating Doughty Steel, DMEA and the weather, and as yet the tank is not moved.

### **2725 Road**

Dan Hawkins declared that the 8" 2725 Road project is finished and delivering water. John Vaisvil has complained about the taste. Hawkins said he asked Dennis Wolf about the taste, and Wolf said there was some at first, but it has cleared up. Hawkins has requested that the Wolfs call if they experience any more water shortage or other problems.

### **Vincent Peterson Tap**

Dan Hawkins said he is bringing this tap to the Board's attention because of its location, and because some pipeline extension is budgeted this year in that area. The address is not known, but it is along 2420 Drive south of Ellis Fritchman, but before the intersection with N Road.

Jerry Figueroa asked if the line could support another tap, assuming the planned replacement from Bob Phillips' north to Harfst is completed. Hawkins said yes.

### **Redlands Mesa water quality update**

The Board was given a written report showing all the results of Redlands water tests including the most recent (January 24). The concentration of VOCs contributed by the new pipeline continues to fall, and is nearly negligible. He said a sample was taken at Association headquarters at the same time, and a low level of Xylene was found in that sample. Hawkins said the laboratory advised him that there are many ways VOCs can enter the water, including fumes from the air.

Ellis Fritchman suggested waiting until summer before doing another test. John Hawkins said he thought we should only do one more test. Dan Hawkins said testing so far has cost about \$1,000. He also said there may be another meeting with Redlands residents at the Grange Hall, but the date has not been set.

### **CPA Review**

Dennis Rowland of Kennedy & Coe was unable to attend this meeting to present his report of review to the Board. He is planning to attend the March meeting. Dan Hawkins said that he and Helen had discussed inventory accounting with Mr. Rowland. A preliminary estimate of inventory value was \$28,000. Mr. Rowland said the amount was probably high enough to warrant formal inventory accounting. One advantage would be to protect purchased assets from depreciation expense until they are actually installed into the system. Hawkins said that the staff is working on a computerized system developed in-house.

### Forest Service Issues

Jerry Figueroa said he is concerned that Forest Service policies and procedures are threatening irrigation and domestic water rights. He said the agency is making increasing efforts to manage water resources without regard to the owners of the water. He said recent National Forest management plans do not emphasize working with other entities, such as municipalities, irrigations companies, and such.

Jerry suggested that the Association and individual members could help by writing to legislators about concerns over threatened water rights and access to facilities. He said he expects to have some more information soon about how organizations such as USCDWUA can address the problem.

The meeting adjourned at 10:05.

Respectfully Submitted *Dan A. Hawkins*  
Dan A. Hawkins Secretary

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

March 13, 2000

Board of Directors Meeting

Herman Kline called the meeting to order at 6:45 p.m. at Association Headquarters. Board members present were Wayne McPherson, Herman Kline, John Hawkins, Ellis Fritchman, Bryan Klaseen and Kelly Peterson. Also present were Dan and Helen Hawkins; Dennis Rowland and Tim Wallendorff from Kennedy and Coe, LLC; Linda McDaniels, Larry Reschke and David Reschke from the Leroux Creek area.

Jerry Figueroa was unable to attend due to a death in the family. Vice-President Herman Kline chaired the meeting.

**Minutes**

MOVED BY Wayne McPherson

SECONDED BY John Hawkins to accept the Minutes of the Board of Directors meeting held on February 14, 2000, as written and delivered to the directors.

MOTION CARRIED with no opposing votes.

**Cash Flow Report**

Dan Hawkins said the two memberships sold were to Vincent Peterson and William Waldron. He pointed out that Legal and Professional expenses were high because of the recent CPA review. He said a large expenditure for assets was a two-year supply of meter yokes.

MOVED BY Bryan Klaseen

SECONDED BY John Hawkins to accept the Cash Flow Report for February 2000.

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins stated that next month's report will show an increase in the number of meters installed, due to getting the meter cards updated and ready for meter reading at the end of March.

**CPA Review**

Dennis Rowland and Tim Wallendorff of Kennedy and Coe gave the directors copies of their Financial Statements with Accountants' Review Report for Fiscal Year 1999.

Dennis Rowland explained that a review is not an audit. It is based on inquiries of Association personnel, and analytical procedures applied to the financial data. He went through the report and the financial statements, answering questions. He said he had not made any modifications to the financial statements prepared by Helen Hawkins, except to apply depreciation expense for the year.

Kelly Peterson asked what is a typical depreciation term for a distribution system. Mr. Rowland replied that, based on municipal systems, and reviewing the history of the Association records, forty years is typical. Mr. Rowland said that the depreciation figure could be reduced if items kept in inventory are accounted for, and not depreciated until placed into service. Also, when parts of the system are replaced, the original cost may be removed from depreciation



calculations.

Dan Hawkins asked if there is a way to reserve cash for future construction projects without violating the tax-exempt rules requiring the expenditure of 85% of revenues each year. Mr. Rowland said it can be done, if the minutes show a Board action to establish a fund for a stated purpose. Cash can then be placed into that fund and is considered to be spent. To satisfy the IRS, a stated plan and paper trail should be maintained.

Dan Hawkins asked if the cost of annual reviews would stay the same as this year if Kennedy and Coe are retained in the future. Tim Wallendorf suggested that a compilation is a less expensive process, and could be done each year, with a full review taking place every three years or so, at the Board's discretion. He said there is seldom a reason to recommend a full audit, which is extremely expensive by comparison.

Dennis Rowland said he felt the Association books are maintained in accordance with General Accounting Principles, and he appreciated the cooperation of Helen Hawkins in conducting the review.

### **Leroux Creek area request for service**

Larry Reschke addressed the Board concerning possible domestic water service to the Leroux Creek area off the east end of Redlands Mesa. He said he is planning a land split, and Delta County will require him to have a domestic water tap for one of the lots. He said his property is now served by a cistern and a well, which is typical for homes in the area. There is presently no public domestic water supply.

Dan Hawkins outlined the Leroux Creek area on the map. He said that he had driven through the area and counted about 40 houses. He said he felt the request ought to be heard by the Board even though previous requests for off-Redlands service had been denied. He said that there is already an established community there, instead of a proposed development. Hawkins said it is physically possible to serve the area from Redlands mesa, but would require a lot of construction. He then distributed a memo estimating the cost to USCDWUA for capital construction and the water requirements. A minimum scenario to serve only the area of Reschke's property, and a maximum scenario to serve the entire area were presented. The costs were estimated at \$95,000 for the minimum scenario, and \$725,000 for the maximum.

John Hawkins asked Mr. Reschke if he felt the community was in favor of establishing domestic water service. Mr. Reschke replied that he was certain that most residents would be in favor. He said he understood that there would be a requirement for capital construction money as well as tap fees from the residents.

It was brought out that Hotchkiss presently supplies water for the Rogers Mesa system. Kelly Peterson asked if either entity had been approached about serving the Leroux Creek area. Mr. Reschke said they had not. John Hawkins said that any arrangement for domestic water in that area should be done in consultation and agreement with those two water systems.

Wayne McPherson said he is concerned about the amount of undeveloped land in the Association's territory and the limitations on the amount of water available through the common system. He does not feel the Association's flow decree in Surface Creek will allow for a large expansion. He asked if the Association committed to serving the area, how many taps would be added. John Hawkins said that if service is established at all, it needs to be planned for the entire area, with expected growth.

Herman Kline said it is necessary to get a new operating and ownership agreement settled with the Town of Cedaredge before committing to a large jump in growth. Kelly Peterson said

the Leroux Creek area may be only the tip of the iceberg where growth is concerned.

John Hawkins suggested to the visitors that they survey their community to see what the interest is, and what financial contribution could be expected.

### **Carma Newton tap update**

Dan Hawkins reported that he gave attorney Aaron Clay a copy of the letter sent to Carma Newton and Charlene Clay, in which shutoff was threatened if an additional tap was not purchased. He said he had also given the attorney copies of Membership Applications signed by Mrs. Newton. Aaron Clay said that the Membership Application is a contract, and the Association may enforce all provisions of it. Hawkins said that Mrs. Newton had visited the office to obtain the minutes of the February Meeting, and various reports of water quality. Otherwise, there has been no response to the letter, Hawkins said.

### **Subdivision Report**

#### Gogenola minor 2856 P-25 Road, Redlands Mesa

Dan Hawkins said The applicants, Joe and Nina Gogenola are asking for one tap. The additional tap will be at the end of a private water line now serving an existing house. The private line will need to be upgraded, and the location of the existing meter moved to the end of the upgraded line in order to separate that service from the new one. The Redlands Mesa Fire Department has asked for a fire plug on the north side of P-25 Road. Hawkins said the hydrant might have to be placed on the south side of the road because the fence is too near the road on the north side to allow room. Putting the fire plug on the south side would require a new 4 inch line under the Road. Hawkins said Gogenola has been advised that he will stand the cost of all pipeline upgrades and the fire hydrant.

MOVED BY Wayne McPherson

SECONDED BY Kelly Peterson to sell a tap to Joseph Gogenola if he applies for one.

MOTION CARRIED with no opposing votes.

#### Fender Major 1819 2425 Drive, Surface Creek

Dan Hawkins said the applicants, Hodge and Tamara Fender are creating three new lots in addition to their existing home, which already has a tap. The Cedaredge Fire Department is asking for a fire plug. There are two possible sources of domestic water, a 4" line on the east side of 2425 Drive, and a 2" line on the north side of S-25 Road. It was generally agreed that the 4" line would be the designated source, especially because of the fire hydrant requirement. Hawkins said the normal procedure is to write a letter to the County Planning Department and to the developers, committing taps for one year and specifying the conditions for the developer to meet.

MOVED BY Wayne McPherson

SECONDED BY John Hawkins to commit three taps to the Fender Major Subdivision for a period of one year.

MOTION CARRIED with no opposing votes.

#### Stoneburner 2203 2500 Drive, Milk Creek

The Ron Stoneburner property lies along the common line between the treatment plant

and the USCDWUA/Town of Cedaredge diversion vault. It is located about ½ mile below the treatment plant. Dan Hawkins said he heard about a planned development from Gary Noah, the Town of Cedaredge Public Works director. The Association has received no notification from Delta County or Stoneburner. Hawkins said Gary Noah asked him if the Association would grant taps along the common line, since he considers it to be Association territory. Hawkins told Noah that the pending agreement between the Association and the Town needs to be finalized before either entity can feel comfortable granting taps.

Wayne McPherson asked if the line is pressurized. Dan Hawkins said yes, and that there are presently 6 taps on that section of common line. Four belong to Cedaredge and two belong to the Association. Ellis Fritchman asked what kind of pressure was available at the Stoneburner property. Hawkins said about 60 psi. He then asked the board if the Association could agree in principle to serve the area pending a territorial and operating agreement with the Town.

MOVED BY Wayne McPherson that the board agrees in principle to grant taps along the common line when we have an agreement with Cedaredge defining service territory.

SECONDED BY Kelly Peterson

MOTION CARRIED with no opposing votes.

**Change the designated use of stored water.**

Dan Hawkins said that Attorney Aaron Clay and Water Commissioner Jim Boyd both advised him that the Association should convert its reservoir water shares to domestic use. Hawkins said we cannot use Aaron Clay for the legal work because he will be the water referee acting on the application.

Wayne McPherson said the U.S. Forest Service may be able to charge a special use permit for the reservoirs if they are used for domestic instead of irrigation water.

John Hawkins said the Forest Service would allow a small percentage of a reservoir to be for domestic use without a special use permit. He said the last figure he heard was 15%.

Ellis Fritchman said the ditch and reservoir companies would have to agree to the designation change, and may be reluctant, because of the possibility of higher costs.

Wayne McPherson asked what the benefit would be of the change in use. Dan Hawkins said that Jim Boyd stated that the District Engineer has hinted that water might not be turned if the use is not designated domestic.

There was a general discussion of the problems of the Forest Service and the cost that may be applied to the water company if the Forest Service charges a high special use permit and fee.

Meeting adjourned at 9:30 p.m.

Respectfully Submitted,  
Dan A. Hawkins



UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

1717 Co. Rd. 2535

April 10, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 6:45 p.m. at Association Headquarters. Board members present were John Hawkins, Herman Kline, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Bryan Klaseen. Also present were Tammy Fender, Dan Hawkins and Helen Hawkins

**Minutes**

Kelly Peterson pointed out a correction on page 3 paragraph 4 of the March 13, 2000 meeting. The address for the Fender Minor Subdivision should read as 2125 Road not 2524 Road.

MOVED BY Wayne McPherson

SECONDED BY Ellis Fritchman to accept the corrected Minutes of the Board of Directors meeting held on March 13, 2000.

MOTION CARRIED with no opposing votes.

**Financial Report**

Helen Hawkins pointed out that because the bank statement had not been received before that cash flow report was mailed to the board members, there was a change in the amount of earned interest. The correction of earned interest from \$ 3.77 to \$ 128.42; changing the ending balance of the reserve accounts from \$ 63,300.89 to \$ 63,425.54.

Dan Hawkins pointed out the new income account "*Income From Backhoe Work*". He said that there is no intention of using the backhoe to generate income but occasionally something might come up in which he would do a small job from time to time. In this case Veronica Minch had asked Dan to dig a small hole when he was working near her property.

John Hawkins asked about the high water treatment cost. Dan Hawkins said that February was high because of the large chemical purchase for the month. He said he expects the cost of water treatment to be higher than in the past because the Town of Cedaredge will be using less water after their new pipeline is in service, causing the Association percentage of use to increase. He said labor costs are higher than what he would like to see. The Cedaredge operator is paid for full time attendance at the plant, but when Dan or Dayton work at the plant they can take care of it in three or four hours a day except for the spring runoff period.

There was discussion of the health insurance premium. Dan Hawkins pointed out that the premiums are higher than what was expected when the budget was established. Hawkins asked if he should be looking into insurance from other companies. He said he believed that Colorado Rural Water Association might have a source. Jerry Figueroa expressed some concern about Rocky Mountain HMO. Kelly Peterson and Herman Kline stated that they have no complaints about the service they have received from Rocky Mountain HMO. Peterson said that other Insurance Companies' rates are higher also, and there would be no guarantee of saving money by switching insurance companies.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to accept the Cash Flow Report as corrected for March 2000.

MOTION CARRIED with no opposing votes.

### **End of Month Report**

The Board reviewed the End of Month Report.

### **Subdivision Report**

Fender Major - 2425 S-25 Road Surface Creek Area.

Mrs. Tamara Fender was introduced to the Board. She and her husband Hodge Fender are the owners of the property to be subdivided.

Dan Hawkins said he had commented to the Delta County Planning Department that the Association would require an easement across the north side of the property, adjacent to S-25 Road. The developers would be required to connect to the four-inch main line on the east side of 2425 Drive, and cross the road to their property. If a fire hydrant is to be installed, it should be on the west side of 2425 Drive, connected to the new line built by the developers. Hawkins said he had also required the developer to build a four-inch line be built across the entire north side of the property.

Mrs. Fender said that to build a line entirely across the property would be unfair because it was 215 feet in excess of what would be necessary to serve the lots in the subdivision. She said the property to the west of the subdivision on s-25 Road was not likely to be developed.

Dan Hawkins said he did not know why the property to the west would not be developed in the future, and felt it is more practical to install the line now than to go back and dig up the property later.

Wayne McPherson asked about the 2" line on the north side of S-25 Road. Dan Hawkins said it already has seven taps connected to it, and there would be no advantage to allowing the Fender subdivision to use that line, since they would still need to cross a paved road.

Jerry Figueroa said that Hermanos Development (Zimmerman) had been required to build a line completely across his property along 2475 Road for the Sorrento Heights subdivision.

There was discussion about the possibility of the Association paying for the oversized line. Dan Hawkins said the cost difference between 2" and 4" pipe would be less than a dollar per foot.

MOVED BY Wayne McPherson

SECONDED BY John Hawkins to pay the difference between the cost of a 4 inch line and a 2 inch line for the width of the north end of Fender's property.

MOTION CARRIED with no opposing votes.

Gogenola Minor - 2856 P-25 Road Redlands Mesa

Dan Hawkins said Joe Gogenola has purchased a second tap for his split, extended the main line to the point where his two taps split off, and paid for a fire hydrant. The fire hydrant was installed on the north side of P 25 Road, instead of the south, which was previously planned. This was made possible by the permission and easement granted by Bill Ware, the land owner on the north side of P-25.

Hawkins said that the Leroux Creek Area Committee had recommended denial of the Gogenola subdivision, based on incompatibility with the surrounding area. He said he expects the County Planning Commission to recommend approval anyway. Hawkins said he had overlooked

the fact that since there are three lots in the subdivision, two new taps would be required instead of the one which was approved at last month's Board meeting.

MOVED BY Jerry Figueroa

SECONDED BY Bryan Klaseen to sell a tap to Joe Gogenola for the third lot of his minor subdivision.

MOTION CARRIED with no opposing votes.

Mahan Minor - 1619 2695 Lane Cedar Mesa (Deerwalk Minor)

This subdivision is on the east end of Cedar Mesa. The property is located about 600 feet north of Q Road just west of where the road starts down off the mesa. The owner, Jim Mahan, has already built one house on the property which is served by an Association Tap. He has also purchased a second tap, prior to deciding to split the property. Since it is now becoming a subdivision, Hawkins asked the Board to approve the tap.

MOVED BY Jerry Figueroa

SECONDED BY Bryan Klaseen to approve the second tap for Deerwalk Minor Subdivision.

MOTION CARRIED with no opposing votes.

### **Vince Peterson Tap**

Dan Hawkins said that a tap sold to Vince Peterson and discussed at a previous board meeting is going to be installed at the point where the Bud Burgess irrigation ditch crosses 2420 Drive. The service line will require a bore under 2420 Drive, which will attempt to miss the culvert for the ditch. Hawkins said the meter will be installed on the west side of 2420 Drive, on property owned by Peterson, bordering property owned by Burgess. The road bore and any subsequent problems will be the responsibility of Peterson.

There was general discussion of the drawbacks of the proposed homesite down in the gulch.

### **Carma Newton Update**

Dan Hawkins stated that Mrs. Newton has sent letters protesting the necessity of disconnecting the little gray house from the Association system, but she did in fact disconnect the house. Kelly Peterson and Dan Hawkins inspected the work. Hawkins said Aaron Clay believes this is all the Association can do, except monitor the property for signs that it has been reconnected.

### **Cellular Phone**

Dan Hawkins stated that he has purchased two cellular phones at a cost of \$ 42.00 a month which allows for 200 minutes of use each month. He asked the board if they would be willing to help pay for the cost of one cellular phone since it will be used extensively for the Association. He said he plans to carry it with him at all times when he is away from the office.

John Hawkins pointed out that communication is very important. Jerry Figueroa said that a beeper would be helpful also. Kelly Peterson said that Peterson Plumbing uses both radio and cellular phones in their trucks and that both have a purpose and are useful.

MOVED BY Herman Kline

SECONDED BY Kelly Peterson to pay \$ 20.00 a month toward the use of a cellular phone.

MOTION CARRIED with no opposing votes.

### **2420 Drive Pipeline**

County Road Supervisor Marvin Walden has told Dan Hawkins that the County is unable to come to terms with land owners for the re-alignment and rebuilding of 2420 Drive on the south end of Cedar Mesa, and the project is on hold indefinitely. The Association had planned and budgeted for a new pipeline to follow the planned new road down off the mesa as far as Bob Phillips this year. Hawkins said he is hesitant to build a new pipeline on the existing grade without knowing for sure what the County is going to do, for fear of having the new pipeline damaged or buried too deeply by future road work.

Dan Hawkins said we need to upgrade the line soon, which is 40-year old 1¼ inch galvanized iron pipe from the Kenneth Harfst tap to the Bud Burgess tap, then reduced in size from there. Hawkins suggested an alternate route away from the road. He also said the Association should be looking for a tank site in that area, as that would be the best way to serve the lower levels in case they are ever developed for housing.

The general consensus was to proceed with plans to upgrade the line this year, and try to find alternate routes so as to not conflict with the County Road.

### **Bill Waldron Pipeline**

Dan Hawkins reported that Bill and Sallie Waldron have purchased a tap for their property at the east end of P-50 Road on Redlands Mesa, known as the "Barney Place." There have been negotiations with neighbors to obtain easements for pipeline construction to serve the property. At this time, it looks like the pipeline will follow P-50 Road on the south side across property owned by Mark Welsh, then cross to the north side across property owned by Roy Bridgewater, then cross to the south side again to avoid a pond and other obstacles to arrive at the Waldron property. Hawkins said he plans to make the pipeline four inches in diameter, in accordance with prior Board approval, and the Association will pay the oversize, with Waldron paying all other costs. Hawkins said the project is expected to begin within a month.

### **Time of Meeting**

It was agreed by the Board of Directors to change the time of the Board of Directors meeting from 6.30 p.m. to 7.30 p.m. during daylight saving time.

### **Dave Stemple**

The Association received a letter addressed to Jerry Figueroa from attorney Bob Tweedell, concerning a tap owned by Omar David Stemple or David G. Stemple. The tap in question is installed on the Lone Pine road approximately two miles north of the Association office. The tap was issued to "Dave Stemple," in accordance with the instructions on the Membership Application. Omar David Stemple, his wife Nancy Stemple, and his son David G. Stemple are all deceased. Tweedell suggested that if the tap belongs to David G. Stemple, he would wish to place the tap on the market, and have the proceeds from a sale go to an heir of David G. Stemple.

Tweedell asked for the Association's position on which of the Stemples the tap belongs



to. Dan Hawkins said his research at the Assessor's office showed the tap is installed on property in the name of Omar David Stemple. Hawkins had spoken with Aaron Clay on the matter, and Clay said our position must be that the water tap belongs to the property.

Jerry Figueroa said he would write a letter to Tweedell explaining that the Association could not take a position on whose name was represented on the stock certificate, but that the tap would have to remain with the property.

### **Water Share Conversion**

Dan Hawkins said that Water Commissioner Jim Boyd and attorney Aaron Clay have both advised that the Association should proceed with getting all stored water rights changed from irrigation use to domestic use. Clay told Hawkins that the ditch and reservoir companies in which the Association owns stock would need to be co-applicants in the process. Clay also said that if the ditch and reservoir companies do not wish to proceed with the application, the Association may or may not be able to proceed independently, depending upon the structure of the stock-issuing company.

Hawkins said Aaron Clay cannot represent the Association in this action, because he will act as the water referee deciding the applications. Hawkins said he spoke with Attorney Larry Ziegler, who has represented the Association in the past when Clay was unable to do so. Ziegler is currently making similar applications on behalf of the Coalby domestic water system. He said he is working with Aaron Clay on the application procedures, and would like to handle the USCDWUA case at the same time.

There was considerable discussion about the willingness of certain ditch and reservoir companies to go along with the process. There is a concern that the U.S. Forest Service will impose special use fees on the companies if a certain percent of their water rights are classified as domestic. Ellis Fritchman and Wayne McPherson both felt that the companies they are involved with would be wary of risking added fees by the Forest Service.

It was generally felt by the Board that more needs to be learned on this subject. It was suggested that a meeting with Aaron Clay and Jim Boyd would be helpful.

Meeting adjourned 9:45 p.m.

Respectfully Submitted *Dan A. Hawkins*

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

May 8, 2000

**Board of Directors Meeting**

Jerry Figueroa called the meeting to order at 7:40 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Bryan Klaseen. Also present were Jim Boyd, Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Wayne McPherson

SECONDED BY Kelly Peterson to accept the Minutes of the Board of Directors meeting held on April 10, 2000 as written and delivered to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins made the following comments concerning the financial report:

1. The past due amount has increased, with a lot of first-time delinquent accounts.
2. Two new taps were sold in the month. He believes tap sales are lagging behind what was anticipated.
3. There is a correction in *Cash Spent on Assets*. The amount of \$2,205.00 was spent on Hydrants instead of Valves as stated in the report
4. The amount noted as an Education Expense was for Hawkins and Myers to take an examination for Distribution System Operator Level 3. The license will soon be required by the State Health Department, but is now a voluntary program. The license obtained now will be transferrable when new regulations go into effect.
5. The payment of \$770 to Kennedy and Coe CPA was expected to be the final payment for the Fiscal Year 1999 annual review, which brings the total bill to \$3,200.00.

MOVED BY Bryan Klaseen

SECONDED BY Kelly Peterson to accept the Cash Flow Report as corrected for April 2000.

MOTION CARRIED with no opposing votes.

**End of Month Report**

The Board reviewed the End of Month Report

**System Usage Report**

During discussion of the System Usage, Dan Hawkins showed the Board some examples of the water meters that are used in the system. The oldest meters are Hersey brand, which do not have a sealed register, and are driven by a shaft from the measuring chamber to the register. Most of the early Herseys are readable, but are worn to the point that they are under-metering.

All newer meters have sealed registers with a magnetic drive instead of a shaft. Several brands have been tried and discontinued. The Corad brand is no longer used because the numbers are badly designed and hard to read. The Hays brand is no longer used because the register runs full of water, which allows sediment and rust to obscure the numbers.

Most of the meters installed within the last 20 years are Neptune brand. A lot of these meters are now unreadable because moisture has entered the sealed register and fogged the glass. Neptune is no longer being installed for that reason. Although the register can be replaced, it costs the same as a new meter of the type currently being used.

The meters currently being installed are Precision brand. They are less expensive than the brands previously used, and are easy to read. The measuring element is a turbine, which will under-register very low rates of flow. Tests in the shop showed they would measure accurately down to about one cup per minute. John Hawkins asked about their pressure rating. Dan said none have been installed where pressure is over 200 psi yet, so the explosion point is not known.

### **Change of use for stored water**

Water Commissioner Jim Boyd was invited to join the discussion concerning the need for the Association to add Domestic to the designated use of its stored water. Boyd said the law requiring this is not new, but is now being more rigidly enforced by the State. He said that the Town of Cedaredge has changed its shares, that Orchard City has not, and the Colby is in the process.

He said the drawback is that the U.S. Forest Service may impose special use permit fees on reservoir companies which include more than a certain percentage of domestic water in their reservoirs. The percentage is not known for certain. He suggested several ways to handle this:

1. With companies owning several reservoirs, such as Surface Creek, try to designate the domestic water in reservoirs which use 1891 or earlier easements, and are immune from special use permits.
2. Transfer (trade) water to reservoirs which are not subject to special use fees. He suggested Leon Lake, or some water owned by the Grand Mesa Conservancy District.
3. Agree that the reservoir company passes permit fees directly on to the Domestic company.

There was considerable discussion about what shares the Association owns in reservoirs which may be subject to Forest Service fees. It was generally agreed that a work session was needed with the reservoir companies and our attorney to work out an acceptable solution. Jerry Figueroa asked Dan Hawkins to get a meeting set up with Aaron Clay within the next month or so.

### **Dave Stemple Report**

Jerry Figueroa reported that he drafted a letter to Attorney Bob Tweedell saying that our records do not prove whether Stock # 1356 was intended for David G. Stemple or David Omar Stemple. The letter states that USCDWUA policy is to keep the water tap with the property and that if there is any transfer a bond might be required to protect the Association from future claims from one of the estates.

Jerry also suggested that it might be a good policy to require that the bonds on water taps be raised to \$12,000.00 to cover any legal costs that might occur if there is a dispute.

## Leak Report

Dan Hawkins reported that there had been a rash of leaks during the last part of April, most of them on the 6" steel pipeline starting at the main storage tank. This line, known as the West Leg, was built around 1966. Hawkins said he is concerned this line may be near the end of its life, but that is hard to tell, because all the leaks were due to the line laying across rocks which had penetrated the protective wrap, allowing the pipe to rust through. The following report was given to the Board:

DATE	LOCATION	PIPE	CAUSE	PARTS (hours)	BACKHOE (hours)	LABOR
4-21-00	North of U-50 Road	4" PVC	Hit by backhoe	\$ 40.00		3.0
4-24-00	1788 2475 Road	1 ½ PVC	Glue failure	195.00	6.0	12.0
4-25-00	South of Main Tank	6" Steel	Rock/Rust	120.00	4.0	8.0
4-26-00	South of Main Tank	6" Steel	Rock/Rust	120.00	5.0	9.0
4-27-00	South of Main Tank	6" Steel	Rock/Rust/Backhoe	120.00		4.0
4-28-00	T-50 Road East	3/4" Galv.	Rust	215.00	3.5	4.0
4-28-00	U-50 Road (LDS)	4" PVC	Dresser Slipped	40.00	4.0	6.0
4-29-00	U-50 Road (Muck Lane)	4" PVC	Coupling split	80.00	4.0	5.0
5-02-00	1721 2425 Drive	3/4" Galv.	Rust	560.00	8.0	10.0
5-03-00	South of Main Tank	6" Steel	Rust	---	<u>2.0</u>	<u>3.5</u>
TOTALS				<u>\$ 1,490.00</u>	<u>36.5</u>	<u>64.5</u>

Jerry Figueroa said he would like to see records of Association operations like the above report kept on a regular basis. He suggested a Work Order system which would detail the materials, labor, and backhoe costs. This information would be useful in guiding the staff and Board in setting rates to match expenses. John Hawkins agreed, saying that he sees that operating expenses are getting ahead of operating income.

## Subdivision Report

### Deerwalk Minor (Mahan)

Dan Hawkins reported that this split, previously discussed at the April 2000 meeting has been withdrawn by Mr. Mahan. The action took place at a Surface Creek Area Planning Committee meeting where numerous neighbors were in opposition.

### Richard Bell Minor - 2019 2425 Drive

This is a re-plat of a previous minor subdivision done by Jan Vandenberg. One tap exists for the larger proposed lot; a second tap will be required for a proposed new lot of two acres along 2425 Drive and adjacent to the 6" Hoot Owl Valley pipeline.

MOVED BY Bryan Klaseen

SECONDED BY John Hawkins to sell a tap to Richard Bell when there is a request for one.

MOTION CARRIED with no opposing votes

Michael Martin Minor - 2039 2375 Road

One water tap is installed for an existing house. A second tap will be required for the proposed larger parcel to lie south and west of the existing house. The tap location will be on the 3" pipeline along 2375 Road.

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to sell a tap to Michael Martin when there is a request for one.

MOTION CARRIED with no opposing votes.

**Construction Report**

Bill Waldron Pipeline

A letter was presented to the Board from Bill Waldron requesting that he be reimbursed for pipeline construction to his property on Redlands Mesa at the east end of P-50 Road, if new taps are granted along that line. Ellis Fritchman asked if it was a private line or an Association line. Dan Hawkins said it is an Association line. Waldron is paying for construction and the cost of 1½ inch pipe, and the Association is over sizing to 4 inch. Ellis said he felt that Waldron could only be reimbursed if the line was to remain his.

There was further discussion. The general consensus was that this has not been a practice in the past, that a great deal of the pipeline has been built by tap owners who needed a line, and that they were not reimbursed.

MOVED BY Ellis Fritchman

SECONDED BY Wayne McPherson to deny Bill Waldron's request to have future members on this line pay for its construction, in order to be consistent with past policy.

MOTION CARRIED with no opposing votes.


Dan Hawkins then said that construction on the Waldron pipeline has begun, and is expected to be completed within two weeks.

30K Tank Move

Dan Hawkins reported that the 30,000 gallon steel water tank obtained from the Town of Cedaredge has been moved to Association headquarters. The total cost since the project began in February has been approximately \$2,400.00.

**Shriver Tap Request - R 75 Road**

An inquiry was received from John Shriver, owner of property on the south side of R-75 Road immediately east of Surface Creek. Shriver would like another tap in addition to the one existing. Dan Hawkins said that the property is served by a one-inch galvanized line originating at 2524 Drive, and six or seven taps are on it. An upgrade to the R-75 Road line was one of the capital improvements contemplated in the budget. Hawkins said work could not start on the project until later in the year, to be sure capital funds are available. Shriver has said he does not intend to install the tap for a year or two.



MOVED BY Kelly Peterson  
SECONDED BY Bryan Klaseen to sell a tap to John Shriver.  
MOTION CARRIED with no opposing votes.

**Multiple Dwellings - Bonita Leyba**


Dan Hawkins said he has received reports from neighbors that Bonita Leyba is serving a mobile home on her property from a hose connected to her tap. She claims that the mobile home is served from an above-ground cistern and water is hauled. Hawkins said he is sure that the water comes from Leyba's tap. He has asked neighbors to help spot when the cistern is being filled, in order to get some evidence to support action against Leyba.

**Randy and Tonya Varner**

The Varners live at a home on Redlands where the tap is in the name of Janet Swaim. Their water bill for April was about \$400, for the use of 84,000 gallons. They have disputed the bill and believe that the meter reading is wrong or the meter is defective.

Dan Hawkins said there had been a disputed bill in 1999, resulting in a reduction to the bill, and the Association had changed the meter. Since the Varners are again distrustful of the meter, it was changed again early in May this year.

Hawkins said he had offered to reduce the bill to \$100, unless the Varners wish to address the board to ask for a different settlement. Hawkins said the reason he was willing to settle is that their April reading could have been in error, but there is no way to prove it either way.



MOVED BY Wayne McPherson  
SECONDED BY Ellis Fritchman to reduce Varner's bill to \$100.  
MOTION CARRIED with no opposing votes

Meeting Adjourned 10:30 p.m.



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

June 12, 2000

**Board of Directors Meeting**

Jerry Figueroa called the meeting to order at 6:15 p.m. at Cedaredge Community Center. Board members present were Kelly Peterson, John Hawkins, Ellis Fritchman, Jerry Figueroa, Bryan Klaseen and Wayne McPherson. Also present were Dan Hawkins, Helen Hawkins and the Association lawyer Aaron Clay.


**Minutes**

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to accept the Minutes of the Board of Directors meeting held on May 8, 2000 as written and delivered to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**



Dan Hawkins reported that tap sales were behind what was anticipated. He also pointed out that operating expenses exceeded revenue. He noted that there were a few bills outstanding which would be recorded as Members Contribution to Capital Improvements when received. He also reported that the Association is holding a check for \$12,600 to cover two taps at the Tom Cooper minor subdivision, pending the receipt of a membership application.

MOVED BY Kelly Peterson

SECONDED BY Ellis Fritchman to accept the Cash Flow Report for May 2000.

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins presented the End of Month Report. There were no new taps sold in May

**System Usage Report**

Dan Hawkins presented the System Usage Report. He said May had very high usage, and that the pattern was continuing into June. He said that on the night of June 7, a major outage occurred, affecting most of the system north of R Road. The problem was discovered to be a decreased flow at the diversion box. Hawkins said the Association valve had been moved and decreased the flow by nearly 100 gallons per minute. This allowed the main tank to empty at around sunset.

All Town of Cedaredge employees who had access to the box were questioned and denied any adjustment of the USCDWUA valve. Hawkins said an increased vibration level in the box may have allowed the valve to creep closed, but it has never happened before. The valve is now secured against movement, and padlocked.

**Randy Varner**

John Hawkins said he had been approached by Billy Varner, the father of Randy Varner



concerning a disputed bill that was acted upon in the May board meeting. Bryan Klaseen also said he had been approached. The Varners have suspicions that the meter was misread at the end of March, and that the water use they were billed for in April actually occurred over the winter months. Hawkins suggested that the total water use from September 1999 through April 2000 be averaged and the average be used to calculate the April bill.

MOVED BY Wayne McPherson

SECONDED BY Ellis Fritchman to adjust Randy Varner's Bill to a six month average.

MOTION CARRIED with no opposing votes.

### **Raw Water Taps**

Aaron Clay said the raw water taps are clearly in violation of Colorado law, and need to be disconnected as soon as possible to eliminate legal liability to the Association. He also said that the Association probably has no legal obligation to participate in any financial settlement reached between the Town of Cedaredge and the raw water tap holders. He said it is up to the Board to decide how much to involve the Association.

The Board discussed the raw water taps. A consensus was reached to delay any action until after a meeting on the matter with the Cedaredge Mayor and Trustees later that night. But the feeling was that the raw water taps need to be disconnected within ten days with or without the participation of the Town.

### **Operating Agreement**

Dan Hawkins said he had provided the Mayor of Cedaredge with a draft copy of the operating agreement. It was not expected that much action on the agreement would occur that night, but perhaps a process could get started.

Aaron Clay had some recommended changes to the draft agreement, as did Jerry Figueroa. After discussion and markup of the document, Mr. Clay said he would get a rewrite to Dan Hawkins and the Town Attorney Greg Stanway the next day.

**Meeting adjourned** at 7:00 p.m. in order to join Town of Cedaredge Mayor and Trustees in executive session.

**Meeting reopened** at 8:00 p.m.

The outcome of the meeting with the Town Mayor and Trustees was that the raw water taps would be disconnected June 16, 2000. The Town would provide written and/or verbal notice to the tap owners.

The Town also established a committee consisting of Trustees Sluski and Hansen to meet with Association representatives to work out the operating agreement. A date of June 20 was set for the first work session.

### **Other**

Dan Hawkins reported that there were problems getting the supply to Redlands adjusted so that users on the Lone Pine section of Cedar Mesa don't run out of water. He said an automatic back pressure valve is needed at the Redlands tank to allow it to fill at a rate that

satisfies the Redlands demand but does not empty the higher sections of pipeline. Hawkins said he is of the opinion that the Association needs to be planning an a storage tank on the high end of Cedar Mesa in the very near future.


John Hawkins said he concurs. He has felt that a tank was needed there by now. Bryan Klaseen asked how large a tank. Dan Hawkins said at least a half million gallons. Wayne McPherson asked how much it would cost. Dan Hawkins said he did not have an answer, but said the one-million gallon tank built at the treatment plant cost about \$220,000.

The desired location of the tank is on BLM property at or near the highest point on Cedar Mesa. A BLM easement would be required to build there. John Hawkins said that a tank at that location could serve a large area, including part of Cedar Mesa, Redlands Mesa, and part of the Surface Creek valley.

Jerry Figueroa asked if the demand on Redlands had increased since the new line went in. Dan Hawkins said that could be part of the problem, but it is mostly that the Lone Pine line is operating close to full capacity.

Meeting adjourned 8:30

Respectfully Submitted,

  
Dan A. Hawkins, Secretary-Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

July 10, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman and Herman Kline. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY John Hawkins

SECONDED BY Herman Kline to accept the Minutes of the Board of Directors meeting held on June 12, as written and delivered to the directors.

MOTION CARRIED with no opposing votes.

**Financial Report**

Correction of the **May 2000 Cash Flow Report**. Dan Hawkins explained that some lines breaking out certain expenses were accidentally omitted from the May Cash Flow Report presented last month. This omission did not affect the ending totals.

MOVED BY Herman Kline

SECONDED BY Kelly Peterson to accepted the corrected May Cash Flow Report.

MOTION CARRIED with no opposing votes.

**June 2000 Cash Flow Report:** Dan Hawkins pointed out the cost of \$ 353.25 for the 990 IRS form filled out by Kennedy & Coe Accountants. He stated that in May he became concerned about the filing of the 990IRS form and had called Dennis Rowland about it. Rowland said he had submitted an extension of time for the form. Kennedy and Coe has since sent USCDWUA the 990 form Dan stated that Kennedy and Coe have stayed within their overall cost estimate for the CPA review, but that the additional charge for the 990IRS form was unexpected and unreasonably high.

Dan Hawkins stated that since the first of July, the Association has sold three memberships and have received the payment from Bill Waldron so presently the Association has \$42,921.66 in checking and \$63,956.66 in Reserve Accounts.

MOVED BY Herman Kline

SECONDED BY Jerry Figueroa to accept the June 2000 Cash Flow Report.

MOTION CARRIED with no opposing votes.

**Water Usage Report**

**System Usage Report:** Dan Hawkins noted that the hot dry weather has created a higher per-tap usage than in any recent years. He said there have not been any shortages reported due to the high rate of use.

**Stored water status:** A summary of stored water used to date, along with a graph, was presented to the Board. The summary indicated that 96% of the Association's stored water was still available. Dan Hawkins also gave the Board a memorandum of understanding that had been made between the Town of Cedaredge, the Association, and the State Water Commissioner. The

memo allows Commissioner Jim Boyd to pool the stored water owned by the Town and the Association, and to call as needed. An account will be kept of the Association draw against storage, based on a weekly report that Hawkins will prepare for Jim Boyd. Hawkins said there is a general misconception around Cedaredge that the Association does not own enough water for its needs, and borrows from Cedaredge every year. He hopes that having a written arrangement will correct that impression.

Jerry Figueroa asked if we would be able to rent any stored water to irrigators. He said he felt the Board members and Association shareholders should have preference if any water is to be rented. It was generally agreed to wait another month to see how the reserves are holding.

There was some discussion about the propriety of favoring Board members if water is to be rented. Jerry said he feels the Board ought to be compensated in some way. Kelly Peterson said one of the boards he serves on buys the board a dinner each year. He said he would like such gestures of appreciation more than money.

John Hawkins said he is concerned about the operating expenses versus income. He said the financial statements show a deficiency that is getting worse. Dan Hawkins said June is the first month this year in which income exceeded expense. The remaining summer months will probably also show an excess, but only due to overuse charges.

Jerry Figueroa said perhaps the Board should study an increase in the base monthly rate. He noted that the Association's rates are among the lowest in the area. Dan Hawkins said that, even in past years when operating income exceeded expenses, the depreciation figure applied by the CPA wiped out the excess. Although the depreciation appears to be a paper expense, the rehabilitation of existing facilities will need to begin soon.

There was discussion of a rate increase, with the consensus being that we should be thinking about presenting the question at this year's Annual Meeting.

### **Subdivision Report**


"Deerwalk Minor": James Mahan, east end of Cedar Mesa. Dan Hawkins said taps have already been purchased for the two houses on the property to be subdivided. There do not appear to be any serious issues for the Association, except that the subdivision is located in a very contentious neighborhood, and that much misinformation about Association policy and operations has originated there.

John McComb minor, east end of Redlands Mesa. One tap has been requested. Mr. McComb had requested that he be allowed to connect to the line serving Morrie Rupp. Dan Hawkins said he dug up that line to determine its size, and found it is one inch. Due to the distance involved, the one-inch line will not serve Rupp and McComb. The pipeline on the north side of N Road will need to be extended eastward, or McComb will need to cross N Road to tap in at the Marshall Subdivision pipeline.

Hawkins said McComb will have to cross property known as "Three Amigos" subdivision to get water to his lot. The owner is Alfonso Estrada, who owns two taps which have never been connected. Hawkins has recommended that Estrada and McComb cooperate in building a line that both can use. As yet, there is not much information as to McComb's intentions in running a line. The matter was tabled.

### **Construction and Maintenance Report**

Dan Hawkins said that a work order system to track parts, labor and backhoe time has been devised. He reported on several leaks and rehabilitation projects during the month. He said



the problem discussed last month with balancing the Redlands Mesa system against the Lone Pine line has apparently been corrected by modifying the tank fill valve at 2800 and P-25 Road. The valve is now acting as a pressure sustaining, or back-pressure valve. It is adjusted to allow a sufficient tank fill rate on Redlands, without draining the Lone Pine area.

John Hawkins said the operation is marginal, and there is still a need for storage on upper Cedar Mesa. He said the first step is to apply for a tank site permit and easement from the BLM office in Montrose.

MOVED BY Kelly Peterson


SECONDED BY Ellis Fritchman to have Dan make out an application to the BLM in order to lease BLM land on the Upper End of Cedar Mesa for a storage tank.

MOTION CARRIED with no opposing votes.

### **Tap Relocation Policy**

Dan Hawkins said a Realtor had inquired if a member could install a tap at one location, but later move it to another location on the same parcel of property. Hawkins said he did not know if the By-laws should be interpreted to forbid moving taps within the same parcel. There was extensive discussion. Eventually, it was agreed that any such request would need to be brought before the Board by the person wishing to make the move. At that time, the details could be considered, and a decision made.

### **Town of Cedaredge**




**Raw water taps** - Dan Hawkins reported that all the raw water taps above the Treatment Plant have been disconnected. Portable plastic water tanks have been purchased and given to the tap owners, and they are being allowed to fill the tanks at a spigot by the treatment plant. This arrangement will stop at the beginning of the year 2001. All work so far has been done by Town personnel.

On June 21 there was a meeting of the raw water tap owners with personnel from the Town and USCDWUA. The meeting was mostly informational, to give the tap owners the reasons why the taps are no longer allowed, and to discuss options they might have for getting potable water. The tap owners were asked to put together a proposal as to how they think the Town and USCDWUA should participate in getting them water.

Jerry Figueroa said he does not think USCDWUA should be a part of any future negotiations between the Town and the raw water tap owners. He said Aaron Clay has advised the Association to maintain a low profile during the process.

It was asked if the Association knew of the raw water taps at the time they were given. John Hawkins said it is impossible to know, but that some of the tap agreements were dated 1959, which could have been after the formation of the Association and its contract with Cedaredge.

**Operating Agreement** - Jerry Figueroa reported that a work session was held June 19 for the operating agreement. The Town was represented by Trustees Ray Hanson and Tony Sluski, with George Fulton and Gary Noah also attending. Jerry Figueroa, John Hawkins, and Dan Hawkins represented USCDWUA.



Figueroa said he was disappointed by the meeting. He said the Town representatives seemed to feel that USCDWUA is a drag on their system. John Hawkins also said he got that impression. Figueroa said there are several areas of contention in the agreement. He said he would like to have a special meeting of the full board devoted to discussing the USCDWUA response to the Town proposals. The meeting was set for July 26.

**Cedaredge taps on USCDWUA line** - Dan Hawkins said he would like direction from Board on the transfer of taps on the Association line. He said it appears the Town is willing to do that, regardless of the negotiations on the operating agreement.

MOVED BY Jerry Figueroa

SECONDED BY John Hawkins that Dan Hawkins go the Cedaredge Town Administrator Jerre Doss and have Mr. Doss write a letter to the people who have Cedaredge taps that are presently being served by USCDWUA. The letter should explain that the taps will be turned over the USCDWUA and will no longer belong to the Town of Cedaredge.

MOTION CARRIED with no opposing votes.

**Public Water Supply Identification Number** -Dan Hawkins said that the Town and State Health Department are suggesting that the Association obtain a Public Water Supply Identification Number (PWSID). The Town does not want to be responsible for water quality at the far ends of the Association distribution system, and does not think that a chlorine residual can be maintained throughout the system without some supplemental chlorination at some point.

Hawkins said he can understand the Town's position, and that he feels it is probably a good idea for the Association to register with the State. It will mean that USCDWUA personnel will take bacteriological samples to be tested, and monitor for chlorine residual, submitting regular reports to the State. He said that at some time in the near future, USCDWUA will need to do some supplemental chlorination because of new regulations requiring a stronger chlorine residual.

MOVED BY Herman Kline

SECONDED BY Ellis Fritchman to have Dan Hawkins look into applying for a PWSID  
MOTION CARRIED with no opposing votes.

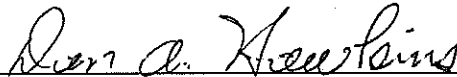
All were reminded of meetings on the following dates:

**July 19, 2000 (Wednesday): Meeting to be held at the Cedaredge Community Center and 7:00 p.m.** with board of directors of several ditch companies and other people of the community that are interested in learning about water re-allocation problems.

**July 26, 2000 (Wednesday): Board Meeting to be held at Association Headquarters at 7:30 p.m.** to discuss the Cedaredge Agreement.

**Meeting adjourned 10.45 p.m.**

Respectfully Submitted,



Dan A. Hawkins Secretary-Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

July 26, 2000

**Special Board of Directors Meeting**

Jerry Figueroa called the meeting to order at 7:40 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Bryan Klaseen, Wayne McPherson and Herman Kline. Also present were Dan Hawkins and Helen Hawkins.

Board members were presented with the latest draft of the proposed new operating agreement with the Town of Cedaredge. This draft had been revised slightly by Aaron Clay since the version given to the Board on June 12.

Jerry Figueroa explained that the purpose of the meeting was to decide how to respond to several changes the Town has proposed to the agreement. The changes came up at a work session on June 20. He said there were a few areas of concern that he felt needed full Board input.

**Paragraph 3.d and Paragraph 6.c**

The draft states that USCDWUA is the designated operator of that section of line from the treatment plant to the diversion box, and that the area around it become USCDWUA service territory. Present and future taps would become USCDWUA taps.

The Town has proposed that the operation of the line be a joint venture, with all revenues from tap sales and water bills set aside into a fund that is designated to be spent only on the common system.

Discussion centered around the question of what benefit that stretch of common line would be to the Association. Dan Hawkins said the attraction is to clean up the service territories, eliminating Town taps in the rural area. Discussion showed there was doubt that this was important enough to offset the complexity of jointly serving the area.

Regarding paragraph 3.d, the Town would like to impose a number of restrictions, such as limiting the size of connection to the common line, and selling no taps except to owners of the property crossed by the pipeline. Jerry Figueroa said he felt the wording in the draft was already adequate to provide whatever restrictions either party wishes to place on taps along the common line. The consensus was to leave 3.d as written, but allow the Town to operate the common line and serve the taps, instead of a joint enterprise.

MOVED BY Jerry Figueroa

SECONDED BY Bryan Klaseen to change paragraph 6.c.i and 6.c.iii to say that Town instead of USCDWUA shall be the primary operator of the common treated water line, and shall administer taps thereon. Also to delete paragraph 6.c.iv and 6.c.v.

MOTION CARRIED with no opposing votes.



**Paragraph 4.b**

The Town asked that both parties should provide proof of water ownership "at an annual review," instead of "on request." There was no opposition from the Board to the change in wording.

**Paragraph 5.d**

The draft states that each party is entitled to use the flow capacity of the common system up to the percentage of ownership, i.e. USCDWUA may use 20% of the flow capacity, and Cedaredge may use 80%. The draft also says that either party shall be able to use any excess capacity not needed by the other. The Town has objected, saying that the use of the capacity shall strictly be 80%-20% regardless of any unused capacity.

It was discussed whether to try to purchase additional percentage in the common system. There did not seem to be much faith among the Board that the Town would be willing to support the idea. Dan Hawkins said Mayor Bill Miller had told him there was little support among the Trustees for it.

There was discussion of the capacity of the common system. Dan Hawkins said the raw water system will not presently deliver more than 2000 gpm. Backwashing, downtime, and other losses at the treatment plant reduce its rated capacity of 3000 gpm down closer to 2000 gpm. Twenty percent of 2000 gpm is 400 gpm. This summer USCDWUA is needing 340 gpm. Hawkins said he thinks 400 gallons per minute will be needed in five years.

Ellis Fritchman said both the Town and USCDWUA might reach capacity at about the same time. The needs of the Town are not known yet, because the new Town transmission line and tank are not in service, and there is still waste in the delivery system. Jerry Figueroa said he thinks most of the growth in the area is on Cedar Mesa.

Kelly Peterson suggested that perhaps the Town would lease USCDWUA their excess capacity. John Hawkins said that he would not be in favor of putting a lease clause in the agreement, but such an arrangement could be worked out later, on a year-to-year basis.

MOVED BY Jerry Figueroa


SECONDED BY Bryan Klaseen to delete Paragraph 5.d, the clause which would allow either party to use flow capacity not needed by the other.

MOTION CARRIED with no opposing votes.

**Paragraph 6.b.iv**

The draft requires the Town to maintain a specified minimum chlorine residual leaving the treatment plant. The Town believes they cannot be responsible for chlorine residual and bacteriological testing on the USCDWUA distribution system. The Town proposes that USCDWUA obtain its own Public Water Supply Identification, which is a registration with the Colorado Health Department.

Dan Hawkins said he agrees that it is probably time for the Association to take this step. At the regular July 10 Board meeting, a motion passed authorizing the application. Hawkins said it will mean that USCDWUA will take bacteriological samples at various points on the system twice a month, and maintain a record of the chlorine level in the water at various points on the system. He said regulations will change in one or two years, raising the required level of chlorine



in the water at all points in the system. This may require USCDWUA to install one or more chlorine booster stations to maintain the required level.

After much discussion, the board reached a consensus to delete 6:b:iv, the clause which required a specified minimum chlorine residual at the treatment plant.


**Paragraph 7.b.i**

The Town requested a change in the wording from "Town Public Works Supervisor" to "Town Administrator." The Board expressed no opposition to the change in wording

**Discussion of possible new treatment plant**

Ellis Fritchman said that with the refusal of Cedaredge to allow USCDWUA to use excess capacity of the common system or to purchase a greater share, what alternative does USCDWUA have except to build a new treatment plant of its own.

There was discussion about how to finance such a project. Wayne McPherson questioned whether or not Cedaredge would buy out our portion of the existing system. Jerry Figueroa suggested that a filter plant be built from other funding sources, such as increased tap or water rates, then wait until the Town needs the extra capacity before trying to sell our share. Ellis Fritchman questioned that the members would stand for a large water rate increase for a new filter plant.



Dan Hawkins suggested the Association get away from the raw water collection network and seek a source of raw water that is not on Forest Service land. He said he thinks repairs and upgrades to the existing system will be too expensive, and the Forest Service will be imposing special use fees on the system in the future. Hawkins suggested using Surface Creek as a source, taking water at a lower elevation.

Bryan Klaseen questioned the taste and odor if creek water is used. He pointed out that Hotchkiss has poor quality water, taking from Leroux Creek. Hawkins said most of the water being treated now is actually creek water. Everybody on the Board agreed that taste and odor would be a major consideration, that the Membership would not tolerate a perceived decline in water quality.

There was a discussion of present water treatment costs. Dan Hawkins said the average monthly bill from Cedaredge is \$1800. He thought the Association could probably do as well or better operating its own plant.

There was much discussion on the subject. Generally it was agreed to keep the idea open and study feasibility.

Meeting adjourned 9:30

Respectfully Yours \_\_\_\_\_

Dan A. Hawkins  
Secretary-Treasurer



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

August 14, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Herman Kline, Wayne McPherson and Bryan Klassen. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

The Board reviewed the minutes of the July 10 Board meeting and the July 26 special meeting as mailed. Two corrections were made:


July 10 minutes, Page 1 Paragraph 4: The IRS form referred to is not **1099** but **990**.

July 10 minutes, Page 4 Paragraphs 7 & 8: The meetings referred to were held in **July** not **June**.

MOVED BY Herman Kline

SECONDED BY Wayne McPherson to accept the Minutes of the Board of Directors meetings held on July 10, 2000 and July 26, 2000 as corrected.

MOTION CARRIED with no opposing votes.



**Financial Report**

Dan Hawkins pointed out that the Past Due amount increased because of the high water bills that were sent out the previous month. Many of those have been paid since the report was prepared.

Jerry Figueroa asked if the Association's backhoe is insured. Hawkins said no. Jerry suggested we should look into insuring the backhoe.

Hawkins said that an entry for Pipeline Construction for Dane Dallas was associated with a fire hydrant installation, prepaid last year by Dallas. The total cost of the hydrant installation was slightly in excess of what was prepaid, but Hawkins said he did not attempt to collect the excess from Dallas, since he paid what was quoted for the job.

MOVED BY John Hawkins

SECONDED BY Ellis Fritchman to Accept the July Cash Flow Report

MOTION CARRIED with no opposing votes.

The Board was presented with a graph depicting income versus expense for the fiscal year to date. The last three months have shown a margin of income over expense, but the yearly margin will be small, and will be wiped out by depreciation expense applied to the books at the end of the year, Hawkins said. The Board was also presented with a current Balance Sheet listing total Association assets of \$1,993,550 and total liabilities of \$17,255.

### **End of Month Report**

The End of Month Report was reviewed. The Association has 774 taps. Four new taps were purchased during the month.

### **System Usage Report**

The ratio of water measured through individual meters compared to the master meter was closer than usual. There was about 7% of the total water not metered. Hawkins said some could be accounted for by spillage at the Redlands Mesa upper tank, and the Kelly Peterson tank.

### **Subdivision Report**

Ron Stoneburner Minor 2203A 2500 Drive: This subdivision would be served from the Common Treated Water Line, about ½ mile below the Treatment Plant. One tap would be required. Dan Hawkins said the Board had previously discussed this split, and had agreed in principal to serve it, pending a completed agreement with the Town.

The consensus of the Board was to advise Delta County Planning and Stoneburner that the Association could not unilaterally guarantee service, since common line taps will require the concurrence of USCDWUA and the Town.

Pinel Minor on Redlands Mesa: This is a repeat of a minor subdivision at the south end of 2900 Road. The original application was withdrawn by Phil Pinel, but has been re-submitted with some changes. Dan Hawkins said three water taps have already been sold to Pinel, and are installed. Bryan Klaseen said there are four septic systems built on the property. The consensus of the Board was to advise Delta County Planning and Pinel that if an additional house is planned for the property, another tap must be purchased. Also, the subdivision plat should depict the existing USCDWUA water line within an easement.


### **Cedar Mesa Tank**

Dan Hawkins said he is working on the application for a BLM easement for a tank and pipeline on the north end of Cedar Mesa. He said the application asks for justification of the site over other alternatives. Hawkins said he thought the Board ought to be aware of all the reasons also.

Hawkins said the four-inch line along the Lone Pine Ditch is now serving 270 taps, which is more than existed in the entire Association when the line was built. It is unable to keep up during periods of peak demand, causing spells of low pressure for the taps at the high end of it, especially Tom Nichols. Terry Messenger, who lives about ½ mile down the line from Nichols has reported his pressure remained stable, but there is often air in the water.

The two possible solutions are to upgrade the line, starting at the north end of 2425 Drive, or to build a storage tank. Hawkins said he believes the existing four-inch line is still adequate for the average demand. He said that with sufficient storage, it is not necessary for the line to meet peak demand. He said the Association should plan on upgrading the line from the tank downward, but even without that, the tank would improve service.

Hawkins said the tank would increase storage within the system to a comfortable level for years into the future. A large portion of the system could benefit from this storage in an emergency, because the tank could back-feed to the north and serve most of the Surface Creek



Valley, as well as Cedar Mesa, Cactus Park, Dry Creek, and Redlands Mesa.

Hawkins said the BLM property is the logical site for a tank. Jerry Figueroa asked about the Farley property to the north. Hawkins said he has not approached Farley, because he does not believe that property is as desirable as the BLM. He said a pipeline joining the tank to the existing line would need to cross BLM land anyway. Jerry said he has reservations about getting involved with the BLM because of ongoing difficulty with the Forest Service and its land use policies

John Hawkins said he is opposed to placing the tank at too high an elevation, because there might be difficulty getting water to it. The site is not much lower than the head of the system, and we will have to be sure there is enough fall to adequately supply the tank.

Kelly Peterson asked if the tank would affect his water service. Dan Hawkins said the tank would need to be equipped with an altitude valve for automatic filling, combined with a back-pressure valve to keep pressure in the Wilbanks line for Peterson and others.

There was discussion of best tank size. Dan Hawkins said Doughty Steel provided a rough budget of \$180 - \$200 thousand for 750,000 gallons and \$210 - \$230 thousand for a one million gallons, not including the tank base. The cost of the base would vary, depending on whether a gravel pad retained by a steel ring is used, or a concrete ring under the tank wall. Doughty recommends a concrete ring. Most Board members said they preferred planning for a million gallons.

Dan Hawkins said the cost of the BLM easement will be around \$500 during the application. Currently, the yearly rental is \$25 per acre. The site is estimated at around two acres. Unlike the existing easement which is perpetual, the new easement will be for a term of 30 years, and is renewable.



MOVED BY Bryan Klasseen

SECONDED BY Ellis Fritchman to proceed with the BLM easement application and to write a resolution for the BLM stating that Dan Hawkins and/or Jerry Figueroa are authorized representatives for USCDWUA


MOTION CARRIED with no opposing votes.

### **Mud Problem at Treatment Plant**

Dan Hawkins said that on August 4 a cloudburst at Kehmeier Reservoir sent mud down the raw water line. It was necessary to shut down the plant and flush the filter tanks before restarting, which took most of the night.

Hawkins said the filter plant is designed to accept raw water with a turbidity number of 10. The water at the time of the storm was in excess of 100. He said the only way to handle such muddy water is with pre-sedimentation ponds, which we do not have. Kelly Peterson pointed out that a fire in the watershed would create the same problem or worse

### **Raw Water Taps**



Jerry Figueroa reported on a meeting at Aaron Clay's office August 7. The meeting was attended by some of the raw water tap holders, their attorney, Town of Cedaredge representatives, and by Figueroa, John Hawkins and Dan Hawkins of USCDWUA. The lawyer for Cockroft, Hamilton, and Shaw is asking for \$30,000 to help them drill wells and obtain

power from DMEA. The USCDWUA portion would be \$6,000.

Kelly Peterson said the proposal sounded reasonable. He said we could easily spend more than \$6,000 on legal fees if there is litigation. Ellis Fritchman said the Association should settle in the quickest and easiest way, and avoid a lawsuit.

Dan Hawkins said that the tap for Ken Christensen would not be involved in the settlement, and that USCDWUA is not involved in negotiations regarding that tap. The Town has acknowledged that the Christensen tap was traded for the hydroelectric plant site.

The consensus of the Board was to convey to Cedaredge that USCDWUA wishes to settle the raw water tap issue without litigation..

Dan Hawkins said a bill of about \$400 was received from the Town for labor and materials involved in disconnecting the raw water taps. Part of the bill was for purchase of plastic water tanks so the tap holders could haul potable water temporarily. Hawkins asked if there was any objection to paying the bill as received. There was none.

### **Cedaredge Agreement**

The Board discussed the transfer of taps now billed by Cedaredge but connected to an Association line. The consensus was that there is no reasonable alternative but to accept these taps into the Association and issue memberships to the tap holders. The specific names and addresses are to be listed on an addendum to the agreement.

Since the current version of the agreement makes Cedaredge the operator of the common treated water line, there was discussion about the Association tap on that line belonging to Ashley Houser. The consensus was to ask Cedaredge to assume the Ashley Houser tap.

### **Year 2000 Construction**

There was discussion of possible construction projects and how much money to retain for the new tank project next year. Dan Hawkins said he estimated that about \$20,000 will need to be spent to stay within the IRS requirement of spending 85% of annual income. Kelly Peterson asked about getting around that requirement by establishing a special fund for the new tank. Dan Hawkins said he would ask the accountant about the procedures for that.

Jerry Figueroa asked what line is likely to cause the most trouble in the near future. Dan Hawkins said he thinks R75 Road is the worst. The line off the south end of Cedar Mesa is also old galvanized and undersized, but still seems to be providing reasonable service. It was the consensus of the board to proceed with upgrading R75 Road.

Hawkins reported that another old galvanized line, on parts of T50 Road and 2425 Drive is leaking under the pavement, and has leaked before. The fix is to transfer taps to a newer one nearby, then abandon the old line. Hawkins said he plans to proceed with that project immediately.

### **New Filter Plant**

The Board discussed the possibilities of an Association filter plant. Dan Hawkins said a potential site would be on land owned by Fred Houghton near the headgate of the Lone Pine Ditch. Hawkins said the water source could either be Surface Creek or the Cedar Mesa Ditch, with the Ditch being the easier place to build an intake and pipeline.

There were concerns expressed about the ability to get enough water through the Cedar

Mesa Ditch in winter, and whether it is advisable to keep the ditch wet year-round. There were also concerns expressed about the water quality, whether from the creek or the ditch.

Dan Hawkins suggested a small pilot plant could be built to test the ability to produce good water from those sources. It was generally agreed to keep pursuing the idea.

**Other**

Leaks - Dan Hawkins reported two leaks on Redlands Mesa in four-inch pipe. The leaks were on 2800 Road and P25 Road, where leaks have occurred before. Hawkins said he believes some PVC pipe in that area was defective, because the leaks do not have any apparent physical cause. Another leak occurred on the Ingval Hansen property along R75 Road. This is an area that often leaks, due to poor couplings in the pipeline.

Don Young transfer - Dan Hawkins said he has refused to transfer a tap for Don Young because his ex-wife Cherry is listed on the stock certificate, and has not agreed to the transfer. The Board agreed that either Cherry Young's signature or a court order will be required in order to transfer the tap.

Vincent Peterson Tap - The tap for the property located at the intersection of 2420 Drive and N Road has not been installed. Dan Hawkins said he cannot determine where the property line between Peterson and Bud Burgess is located. Bud Burgess will not give permission for a meter on his property. Hawkins said he has asked Vince Peterson to have a survey done before the tap will be installed.

Meeting Adjourned at 11:00 p.m.

Respectfully Submitted *Dan A. Hawkins*

Dan A. Hawkins  
Secretary-Treasurer





**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

September 11, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:50 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Herman Kline and Bryan Klaseen. Also present were Dan Hawkins and Helen Hawkins

**Minutes**


MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to accept the Minutes of the Board of Directors Meeting held on August 14, 2000 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins said the cash reserves had increased by over \$30,000 since the closing of the August financial statement, due to the purchase of five taps by Jess Marshall to complete his subdivision on Redlands Mesa. Hawkins said the reserve account funds are divided between Surface Creek Bank and Commercial Federal, to avoid exceeding the \$100,000 FDIC limit per institution.



Jerry Figueroa noted that the Marshall taps were issued to Redlands Airpark rather than Jess Marshall. Dan Hawkins said it is not uncommon to issue memberships to trusts, corporations, partnerships, etc. Jerry Figueroa suggested asking the Association attorney if there is a potential drawback to issuing taps to an entity rather than a person.

MOVED BY Bryan Klaseen

SECONDED BY John Hawkins to accept the August Cash Flow Report.

MOTION CARRIED with no opposing votes.

**End of Month Report**


The Board reviewed the End of Month Report.

**Water Usage Report**

Dan Hawkins said the individual meter readings for August totaled a greater number of gallons than the master meter. He said this might mean that the master meter was stuck for a while, or was misread.

**Construction Report**

Cedar Mesa Tank



Dan Hawkins read aloud a resolution authorizing him and Jerry Figueroa to act as representatives of the Association in pursuing a BLM easement for the Cedar Mesa Tank. Hawkins said a BLM agent is scheduled visit the site on September 14.

Jerry Figueroa expressed concern about using BLM land. He said that actions by the U.S. Forest Service, such as restricting access to facilities, and increasing permit fees indicate that government lands are going to become too difficult and expensive for such uses in the future.

Dan Hawkins said the preliminary estimate puts BLM fees around \$500 at the time of application, and about \$50 annually for rent. Both are subject to change as the process continues, and there is no guarantee that rent fees will not increase in the future. Hawkins said the BLM site is the best from an operational standpoint

#### R-75 Road

Dan Hawkins said he would like to proceed with the R75 Road upgrade and tie the east end in to the 2425 Road line. He said Delta County is planning to pave 2425 Road from R75 Road south to R Road, and it would be best to cut the road before that. A pressure regulator station will be needed at R75 Road and 2425 Road to keep pressures under 200 psi, and allow the use of less expensive and easily available pipe. Another pressure regulator will be needed about 1/8 mile north of R75 road on the 2-1/2 inch line at Lyle Brandt's in order to loop the area together as one pressure zone. The total cost of the project, which would be about 1,000 feet of 4-inch pipe, one road crossing and two pressure regulator stations, would be about \$15,000 - \$20,000.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to proceed with the 2425 Road project with the crossing of 2425 and regulator stations.

MOTION CARRIED with no opposing votes.

#### T-50 / 2425

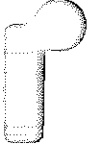
Dan Hawkins reported that about 600 feet of 3/4" galvanized pipeline has been abandoned on 2425 Drive at T50 Road. The taps for Edward Uptain and Don Young were disconnected from the old line and reconnected to a two-inch PVC line on the north side of the road. The line was then cut and capped at the intersection of 2425 and T50 Road. The reason for the action was repeated leaks in the 40 year old pipe, which is buried under pavement.

Hawkins said he plans to abandon more of the same pipe, running east along T50 Road. There are three taps which will need to be switched from the old line to a 4" PVC line on the south side of T50 road.

#### McCombs

Dan Hawkins said that John McCombs and Alfonso Estiada, the owner of Tres Amigos Subdivision have agreed to cooperate in building a 2" pipeline to serve both the subdivision and McCombs' property to the north. The area is on N Road, on the east end of Redlands, north of the Marshall Subdivision. The new line would run north from N Road, along the driveway which serves the Rupp residence, which is within a 60-foot wide access easement through Tres Amigos.

Hawkins said he gave the owners the choice of connecting to the existing line on the south side of N Road, or building about 300 feet of new line on the north side of N Road to connect at the existing road crossing in front of the Sue Bennett residence. He said he had told



the owners that the Association would oversize the pipe on the north side if that is the chosen route.

Hawkins said he would also like to oversize the north-south portion of the line to 4" in case an opportunity arises in the future to continue further north and grid N road in with O Road. He said the additional distance would be about 1800 feet.


MOVED BY Bryan Klaseen

SECONDED BY Kelly Peterson to over size the McCombs line from 2" to 4" pipe.

MOTION CARRIED with no opposing votes.

### **Town of Cedaredge**

#### Raw Water Taps



Dan Hawkins reported that he attended an executive session of the Cedaredge Board of Trustees August 31 to discuss the settlement proposal from Cockroft, Hamilton, and Shaw regarding the loss of their raw water taps. Some trustees proposed a counter offer in the range of \$4,000 per tap in place of the \$10,000 per tap proposed by Cockroft, et.al. Hawkins said he told the Trustees that the Association was satisfied with the original settlement offer, and wished to settle quickly and avoid litigation. After discussion, the Trustees instructed their attorney Greg Stanway to propose a counter offer of \$7,000 per tap. Hawkins said he asked Stanway to inform the Association if it appeared litigation was likely. Hawkins said he had also telephoned Aaron Clay to ask him to be sure Stanway understands that the Association is not interested in litigation, and will need to reconsider its position on the matter if a lawsuit results.


Hawkins said that the Town has agreed that the Association has no interest in or liability for the raw water tap that was granted in exchange for the Hydroelectric plant property. This tap is currently held by Christensen. It is not known what, if any, settlement is proposed for that tap.

#### Agreement

Jerry Figueroa reported on a September 6 lunch/work session with the Cedaredge water committee to discuss the revised draft of the operating agreement. The committee accepted the July 26, 2000 revision of the document, with revised wording on Page 5, Paragraph 8.c.ii.

“Town shall compute the water treatment charge monthly, based on gallons of water delivered to USCDWUA plus proportional share of consumed water at the plant, multiplied by treatment cost per gallon for the month.”

Figueroa said there was considerable discussion of the concept that USCDWUA owns 20% of the land and easements that the common system occupies. He said the main concern of the Town is that the deeds and easements not be revised in order to make the Association an owner. There did not seem to be opposition from the Town in making the Association an owner of the land.



Figueroa also said the Town is interested in making some pipeline interconnections between its system and USCDWUA after the point of diversion. John Hawkins said there have always been interconnections in at least two valve houses where the Town and USCDWUA run parallel. Dan Hawkins said these locations might still be practical, but the new line no longer runs through the valve houses, so some additional work would need to be done. Jerry Figueroa said an interconnection between the Town/USCDWUA system and Orchard City would be wise,

because they rely on different watersheds, and one system might survive a fire or other event that disabled the other.

Dan Hawkins said the Town agreed to assume the Ashley Houser tap on the common line. He said he asked the Town to accept another Association tap, belonging to Elmer Lowrance. The Lowrance tap is on the west side of Surface Creek, on the south side of R75 Road, or Indian Camp, as it is known on the west side of the creek. The pipeline serving the tap is a 3/4" galvanized which crosses the creek north of the R75 Road bridge, then crosses to the south side of Indian Camp. The Town has a main line close by that Lowrance could be connected to. Hawkins said the Town is receptive to assuming the Lowrance tap, but would like USCDWUA to share the expense of connecting it to their system.

### **Water Rates and Tap Fees**

Dan Hawkins asked the Board to review the Year To Date Cash Flow Report. It shows an excess of operating income over expenses of \$11,000 for the year. Hawkins said that is too small a margin, and will be wiped off the books during the CPA review, when depreciation expense is applied. He said the margin would have been smaller or negative were it not for high water use this summer, creating higher than normal overuse charges..

Dan Hawkins said that, assuming an average of 800 taps during 2001, each dollar increase in the monthly base rate would produce an increase of \$9,600 in operating revenue annually. He said a \$5 increase (to \$20 per month) would produce an increase of \$48,800 per year, which would be required if another employee is needed.

Ellis Fritchman asked how long before another employee would be necessary. Dan Hawkins said that if the Association builds its own treatment plant, another employee will be needed at that time. At the present, Hawkins said he feels he is not able to spend enough time on administrative duties because much of the field work requires two people. He said that within five years at the latest, more help will be needed.

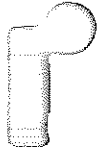
Hawkins gave the board a report comparing the tap fees, base rates, and gallons allowed for ten local water companies. Five of the entities are tax-supported, and five are private associations like USCDWUA. Of the private associations, USCDWUA is the only one without a moratorium on tap sales. The graphs showed that USCDWUA is neither high nor low in its structure of rates, fees and gallons offered.

There was much discussion of a rate increase. Jerry Figueroa asked when the rates were last raised. The year was estimated at about 1985 (later determined to be 1989). Dan Hawkins suggested a base rate of \$20 for 10,000 gallons. He said he did not think the extra allowance would be a burden on the system. Several board members disagreed, saying excess use should not be encouraged.

### **Other**

#### Rusty water Q25 Road

Jerry Figueroa said that he and Wayne McPherson had received complaints about rusty water in the area of Q25 and 2550 Roads. Dan Hawkins said the office has also heard from people in that area, mainly Dick Jones, Francis Lugard, Terry Ferganchick, and Cathi Varner. Hawkins said the rust is coming from old steel lines on R Road, 2550 Road, and Q25 Road. There is a dead end at a valve box on Q25 Road that allows rust to accumulate in the pipes. If



there is an upset in the normal flow, the rust is stirred up. He said the latest rust episode was probably caused by Kissner Drilling Company drawing some water from a fire hydrant by Wayne McPherson's. Hawkins said he did not know this was happening until Marianne McPherson reported it.

Hawkins said the long term solution is to replace the rusting lines, but for the short term, the valve box on Q25 road could be reconfigured to eliminate the dead end and keep water flowing. He estimated the cost between \$5,000 and \$10,000 depending on how much of the structure of the box needs rebuilt.

MOVED BY Herman Kline

SECONDED BY Bryan Klaseen to rehabilitate the valve house on Q25 Road.

MOTION CARRIED with no opposing votes.

Meeting adjourned 10:15 p.m.

Respectfully Submitted *Dan A. Hawkins*

Dan A. Hawkins  
Secretary-Treasurer



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

October 9, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:35 p.m. at Association Headquarters. Board members present were John Hawkins, Jerry Figueroa, Kelly Peterson, Ellis Fritchman, Wayne McPherson and Herman Kline. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Herman Kline

SECONDED BY Wayne McPherson to accept the Minutes of the Board of Directors Meeting held on September 11, 2000 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

The Board reviewed the cash flow report for September 2000. Dan Hawkins discussed some unusual points in the report:

1. Seven new taps were sold, all on Redlands Mesa.
2. The income from treatment plant operation by USCDWUA was \$500 more than we paid the Town of Cedaredge for water treatment. This was due to the Cedaredge plant operator being on vacation.
3. \$44,000 was transferred into the reserve account. The regular checking account balance was left high at \$30,750 in anticipation of construction bills in October.

MOVED BY Herman Kline

SECONDED BY John Hawkins to accept the September 2000 Cash Flow Report

MOTION CARRIED with no opposing votes.

Dan Hawkins then reported that the IRS is proposing to penalize the Association about \$2300 for late filing of our income tax return (Form 990). Hawkins said he received the completed 990 from CPA Kennedy and Coe near the end of June, with assurance from the CPA that an extension for filing to July 17 had been obtained. The 990 was then signed and mailed from Cedaredge in the first week of July. The IRS wrote a letter in September saying they did not receive the return. In accordance with their instructions, Hawkins said he sent a copy of the return. Shortly after, the IRS wrote saying they had actually received the original return, but it was late, and they were assessing a penalty based on days since April 15.

Hawkins said Tim Wallendorf of Kennedy and Coe has agreed to represent the Association and try to get the IRS to rescind the penalty. Jerry Figueroa asked why an extension of time to file was necessary in the first place. Hawkins said he did not know, as the CPA review was completed in February, with all the necessary information available at that time. John Hawkins said he did not see any excuse for an extension.

## **EOM Report**

The Board reviewed the End of Month report with very little discussion.

## **Water Usage Report**

As usual, the Water Usage Report showed a disparity between the master meter readings and the combined individual meter readings. Hawkins said there are a few unmetered water losses, such as tank overflows. He said he is thinking the master meter is behaving erratically, and probably needs replaced.

There was discussion of water used by Kissner Drilling while they were working on a water well on Cedar Mesa for an owner who apparently does not intend to buy a tap. Hawkins said he does not intend to charge Kissner for the water, but has asked that the Association be informed when water is used from a fire hydrant. John Hawkins pointed out that Kissner has paid \$60 per month for years on four unused taps.

## **Membership Applications policies**

Dan Hawkins said he had spoken with Aaron Clay about granting Association membership to entities that are not individuals. The most common examples are family trusts. But there have also been partnerships and corporations as members. Clay said there is no legal prohibition against this practice, and did not recommend any special effort to make sure the purchaser is a legal representative of the entity. But he said to be sure the person attempting to transfer a membership is legally entitled to do so.

## **Billing Procedures Review**

Bud Burgess has questioned his bill on two occasions this year, and has not paid while the matter was being investigated. He is now protesting the penalty that was charged for not paying. Dan Hawkins said it took a lot of time because Mr. Burgess does not contact the office directly to resolve the question, but prefers to work through the Board. He said no discrepancy was found in the bill, and letters were written to Mr. Burgess explaining the procedure.

Wayne McPherson questioned the policy of allowing Burgess to run water from his inactive tap on 2425 Road through his meter on N Road, thereby getting the benefit of two taps through a meter. Helen Hawkins said that is a courtesy extended to some other members also. She said Burgess had questioned his bill in 1996 and 1997, and had refused to pay a penalty for late payment on those occasions.

MOVED BY John Hawkins

SECONDED BY Jerry Figueroa to inform Bud Burgess in writing that the Board of Directors has reviewed his bill and the method that was used in determining the charges. They found the billing to accurate and information given to Mr. Burgess to be timely. The penalties will remain.

MOTION CARRIED with no opposing votes.

## **Subdivision Report**

Dan Hawkins reported that Phil Pinel's "Omega Minor" subdivision at 1250 2900 Road on Redlands Mesa was approved by the Hotchkiss Area Planning Committee, but disapproved by the County Planning Commission. One of the recommendations of the County was that a 4" water line be built from N Road to the subdivision for fire protection. Hawkins asked the Board if



the Association should agree to do that, since the oversize would not be required just for domestic water.

Kelly Peterson asked if there is any reason not to do it, if the developer is paying the cost. Jerry Figueroa said that fire protection considerations alone should not drive the Association's construction decisions. He feels this might imply a guarantee of adequacy. Kelly Peterson said there are often other alternatives that are acceptable by the County and fire districts. Dan Hawkins said he believes Pinel is planning a cistern rather than a larger line and fire hydrant.

John Hawkins said there cannot be a blanket answer, that each situation would need to be considered and acted upon individually. That seemed to be the consensus of the Board.

#### **Effects of Amendment 24**

Dan Hawkins said that if Amendment 24 (Citizen control of growth) passes on November 7, it will change the operation of the Association. He said new tap sales will slow or stop, but that maintenance and replacement of old facilities will need to go on. He said he thinks tap fees and water rates would both need to be increased.

Jerry Figueroa said we will know by the November Board meeting whether the amendment passed, and how to proceed. He recommended that tap fees and water rates be discussed at the Annual Meeting, regardless of the outcome of the election.

#### **Construction and Maintenance Report**

**R-75 Road Project:** Dan Hawkins said work on replacing the old galvanized line on R75 Road had begun. Lou Bickmore, a resident along the road, has asked for a fire hydrant, and offered to raise money from neighbors to pay for it. Hawkins said the hydrant would only be served by a 2½ inch line, and would be better with a 4". Ellis Fritchman said there would never be a better time to replace the 2½ than now.

Dan Hawkins said it would add several thousand dollars to the cost of the project, and might have several homes out of water for a day or more.

MOVED BY John Hawkins

SECONDED BY Ellis Fritchman to install 4 inch pipe where there is now 2½ inch pipe along R75 Road.

MOTION CARRIED with no opposing votes.

**Q-25 Road Valve Box:** Dan Hawkins said the rehabilitation of the valve box across from Terry Ferganchick will probably cost less than originally thought. The project will be to reduce rust complaints from that neighborhood, and can get started as soon as the required parts are received.

**McCombs Pipeline:** Dan Hawkins said the pipeline through Three Amigos Subdivision on Redlands, serving McCombs, Estrada, and potentially Rupp has not started yet, but all the materials are available. We are awaiting the schedule of the excavation contractor.

**Concrete at Shop:** Dan Hawkins said the forms are in place for a concrete slab around the west and north ends of the shop. The slab under the lean-to roof on the north side will be enclosed in a chain-link fence and used for storage of expensive parts that do not need to be kept indoors. Herman Kline suggested that the east entrance to the building needs some concrete too.

**Leaks along 2550 Road on Redlands:** Dan Hawkins said that a failure of a new Roll Seal pressure regulator caused two leaks on 2550 Road. The regulator was found to be very susceptible to small particles of debris in the water. It was replaced with a conventional type, and the policy will be to use a screen in the main line ahead of any more Roll Seal regulators. Hawkins showed the Board a section of the pipe from the 2550 Road line, which is of poor quality and will not withstand any over pressure.

**Further Capital Construction:** Dan Hawkins gave the Board a memo proposing capital expenditures of \$40,000 before the end of the fiscal year. Included in that amount is an early payoff on the water shares purchased from Lee Gorsuch. Hawkins said that would bring the amount of expenditures for the year up to about 81% of total revenue, pending the income from the next two months.

Traditionally, the Association has spent at least 85% of revenues to stay within the IRS rules regarding non-profit, tax-exempt status. Dan Hawkins said he had received advice from CPA's Pete Blair and Tim Wallendorf that the Association could carry funds forward for known future needs and still comply with IRS rules.

Hawkins presented the Board with a resolution stating the need to retain funds, and the reasons for doing so. John Hawkins said he was uncomfortable adopting the resolution too soon, because our financial situation will change. After discussion, the resolution was tabled for later review.

**Tax Sale of Mineral Rights:** Delta County has sent the Association a notice that we may pay delinquent taxes on severed mineral rights at 1717 2535 Road and at the main tank site on Milk Creek. The amount owed is \$55.73. It was the consensus of the Board to pay the taxes.

#### Time of Meeting

It was decided to have the time of the Board Meetings changed to 6:30 P.M. for the winter months.

#### Other

Dan Hawkins said Vince Peterson had surveyed his property along 2420 Drive, and it was possible to install his tap on his property, by a few feet, thus avoiding an objection from Bud Burgess. The tap has been installed.

Meeting Adjourned 10:25 p.m.

Respectfully Submitted Dan A. Hawkins

Dan A. Hawkins - Secretary

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

1717 Co. Rd. 2535

November 13, 2000

Board of Directors Meeting

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were John Hawkins, Ellis Fritchman, Wayne McPherson, Jerry Figueroa, Herman Kline and Kelly Peterson. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Wayne McPherson

SECONDED BY Ellis Fritchman to accept the Minutes of the Board of Directors Meeting held on October 9, 2000 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins reported that the water shares debt to Lee Gorsuch was retired by making the final \$12,000 payment early. The Association now has no long term liabilities.

Hawkins said that Kennedy and Coc had billed the Association \$491 for some research into the feasibility of retaining funds for future construction. He said the amount was excessive for the amount of information received, but the bill had been paid. Jerry Figueroa said he did not feel that the business relationship with Kennedy and Coe was working out, especially in view of the late filing of the IRS return. The consensus of the board was that Pete Blair of Hawkins, Blair and Associates should be contacted about doing the CPA review for 2000.

MOVED BY John Hawkins

SECONDED BY Jerry Figueroa to accept the October Cash Flow Report

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins commented that four new taps were sold. He said we are now ahead of the predicted number of sales for the year. Hawkins said the meters were not read in October because work on the R75 Road project left no time. He said the irrigation season is over, so we are no longer calculating demand in excess of the #1 decree. Approximately 70% of the Association's stored water was used in 2000.

**Subdivision Report**

Moejan Minor (Rupp) on Redlands Mesa

This proposed subdivision is located at 3013 N Road on the east end of Redlands Mesa, across the road from Marshall Subdivision. Three lots are proposed; one lot is the present homesite of Morrie and Jan Rupp, which has a tap. Two taps will be needed for the other lots.

Dan Hawkins said a new 4-inch line had just been constructed north from N Road to the southeast corner of the Rupp property. This was done by John McCombs and Al Estrada (Three

Amigos Subdivision). McCombs and Estrada have also purchased a fire hydrant, which has been installed near the corner of Rupp's property. Hawkins said he would like to get Rupp to participate in the cost of the water line and hydrant, and would like to obtain easement through the Rupp property in order to continue the line northwest in hopes of eventually looping back to the pipeline on 2900 Road.

MOVED BY John Hawkins

SECONDED BY Herman Kline that: subject to Rupp, McCombs and Estrada agreeing to divide the cost of the new line construction and hydrant, and Rupp granting an easement for future line extension through his property, USCDWUA will pay for the over sizing of the pipe, and will commit two taps for one year or until the subdivision receives final approval from Delta County

MOTION CARRIED with no opposing votes.

Burtis Minor - Redlands Mesa

This proposed subdivision is located at 1398 2600 Road on Redlands Mesa, or the corner of 2600 and O Road. Two lots are proposed; one lot is the present homesite of Matt and Cathy Burtis, which has a tap. One additional tap will be needed.

Dan Hawkins said there is a 3-inch main line directly across 2600 Road from the proposed driveway entrance to the new lot. He said the ground might allow a line to be pushed or bored under the pavement. He said that would be the preferred source, although there is another line along the north boundary of the Burtis Property, on O Road.

MOVED BY Herman Kline

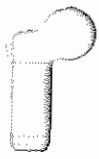
SECONDED BY Ellis Fritchman to commit a tap for Matthew Burtis for one year or until subdivision receives final approval from Delta County.

MOTION CARRIED with no opposing votes.

Deer Run Minor (Snell) on Cedar Mesa

This proposed subdivision is located at 1559 2600 Road on Cedar Mesa. Three lots are proposed. One lot will contain all present buildings, and the other two are vacant land. The lot with buildings has two USCDWUA taps installed. There is a third dwelling on the lot, a mobile home which is apparently served by a domestic well.

Dan Hawkins said there had been a history with one previous owner of the property, concerning the possible cross-connection of the well with the Association line. He said covenants should be applied to the subdivision to insure new owners are aware of the laws prohibiting cross connections.



MOVED BY Jerry Figueroa

SECONDED BY Wayne McPherson that, pending verification that there is no cross connection with the well, and if covenants are provided prohibiting cross connection, and requiring any new dwellings to be served by USCDWUA, the Association will approve the sale of two taps for one year or until the subdivision receives final approval from Delta County.

MOTION CARRIED with no opposing votes.

Harris Minor - Near Main tank


Dan Hawkins said this subdivision was discussed by the Board in 1999, and taps were committed at that time. The property surrounds the Association main tank on Milk Creek. Allen Adger is Ann Harris' husband, and an attorney. He has requested an extension of time to purchase two of the taps, since the commitment expired November 1, 2000. He has purchased one of the three taps. He asks for an extension of time until June 20, 2001 to purchase the other two.

MOVED BY Herman Kline

SECONDED BY Kelly Peterson that the Association commit two taps for the Harris Minor until June 20, 2001.

MOTION CARRIED with no opposing votes.

**Construction Report**




R - 75 Road project.

Dan Hawkins reported that the R75 pipeline replacement project is complete. Peterson Excavating charged about \$18,000 for the construction. Materials and other work performed by USCDWUA brought the total to about \$28,000. There is now 4-inch PVC pipe from 2425 Drive west to Surface Creek. All taps on R75 Road which had been served by the old 1-inch galvanized pipe were moved to the new line, and the old line was disconnected and abandoned.

A pressure regulator station was built at the intersection of R75 and 2425 Drive. A fire hydrant was installed about halfway on the new line, paid for by residents in the neighborhood. The old galvanized line going east from 2425 Drive, serving only Ingval Hanson, was also disconnected, and the Hanson tap was moved to a newer 2½-inch PVC line nearby. The galvanized line crossing Surface Creek to serve Elmer Lowrance was connected to the new line, and still remains a question mark. Hawkins said the Town of Cedaredge, although willing to accept the Lowrance tap as proposed in the operating agreement, is suggesting that USCDWUA pay the expense of connecting the tap. There was no support noted from the board for this arrangement.

Hawkins said the digging was even more rocky than expected. The construction technique was to load the excavated rocks into trucks, haul them away, and return with dirt to fill the trench with. He said the job was well cleaned up, and there was minimum disruption of service to the customers in the area.



Three Amigos Project

Dan Hawkins said Al Estrada and John McCombs have jointly installed about 2000 feet

of 4-inch pipe to serve two taps in Three Amigos and one for McCombs. They also purchased a fire hydrant, which was installed at the north end of the new line.

The new pipeline begins on the north side of N Road, at the point where the existing line crosses to the south. This is across the road from the residence of Sue Bennett. The new line runs east, then north along the driveway shared by Three Amigos, McCombs, and Morric Rupp. Hawkins said he has asked the contractor to bill USCDWUA, so the expenditure can be booked as a capital improvement. The various parties will then reimburse USCDWUA as Members Contributions to Capital Improvements.

### **Mineral Rights**

Dan Hawkins reported that a USCDWUA check for delinquent taxes on severed mineral rights, which was discussed at the October 9, 2000 meeting, was returned by the County Treasurer because somebody else had already paid them.

### **2001 Budget**

Dan Hawkins presented the Board with two alternative preliminary budgets. He explained that much of the expenditures for Fiscal Year 2000 were estimates, because the year had not ended. He also said that there would be adjustments made between cash paid for assets and cash paid for maintenance expense. He said the reason for this is that when materials are purchased, they are booked as assets, even though their final use may not be known. At the end of the year, the work orders will be analyzed to determine which, if any, of the previously recorded assets should be changed to maintenance expenses.

The first alternative budget did not show any increase in membership fees or monthly minimum water charges. Hawkins said he felt the margin of operating income over expense in that budget was too narrow, that money is not being accumulated to cover the replacement of pipelines that are deteriorating due to age. He said some of the system is in need of replacement, starting with the oldest pipelines. This will be necessary whether the population grows or not, and cannot reasonably be covered by new membership fees.

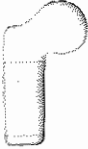
The second alternative budget proposed an increase in membership fees from \$6,000 to \$6,500 and an increase in the minimum monthly water charge from \$15 to \$20. It also projected the hiring of an additional employee.

Jerry Figueroa asked if the Association will gain in cash reserves by about \$90,000 in 2000. Dan Hawkins said that is correct. He said some of the proposed capital improvements were not done, because the funds from tap sales came late in the year, and because of the realization that a major project is needed next year -- the Upper Cedar Mesa Tank.

Hawkins said he believes that operating expenses are going to increase significantly in the next several years, due to higher health insurance costs, increased water quality monitoring due to new Health Department rules, and the need to hire another employee. Hawkins said he needs more time to tend administrative duties, and most of the jobs in the field require two people.

Ellis Fritchman asked when minimum rates were last raised. Dan Hawkins said that was in 1989, when they went from \$12 to \$15. John Hawkins said rates had been raised four times in the history of the Association, starting at \$8.50, then \$10, \$12, and \$15.

There was discussion of the increase in membership fees. John Hawkins said he thought an increase from \$6,000 to \$6,500 was not very productive and suggested an increase to \$7,000.



Dan Hawkins asked if the actual amount of the proposed increase needs to be included in the call of the Annual Meeting. It was suggested to consult with Aaron Clay about this. The consensus of the Board was that it should be freely discussed at the Annual Meeting before setting an amount.

MOVED BY John Hawkins

SECONDED BY Wayne McPherson to put the new membership fee at \$7,000.00 in the call of the Annual Meeting if an amount is deemed necessary by Aaron Clay.

MOTION CARRIED with no opposing votes.


### Other

John Hawkins said he had received a call from Beryl Morris offering to sell 41 shares of Park Reservoir, yielding about .8 cfs per share, for a total of 32.8 second feet. Morris had not named a price, asking the Association to make him an offer.

During discussion, Wayne McPherson said he also would be willing to sell about the same amount of Park Reservoir water, or around 8 shares of Surface Creek Ditch and Reservoir. Jerry Figueroa said that Surface Creek is inflated in price right now, but it is considered desirable water because of the network of reservoirs involved, instead of just one.

John Hawkins said he favors buying water over retaining excess funds for future construction, since the Association presently has the money. Jerry Figueroa agreed.

It was decided that John Hawkins would continue a discussion with Morris, and Wayne McPherson would decide on a price for his water. A telephone poll of the board could be conducted if it appears that a transaction is in order before the next meeting



### Meeting Date

Dan Hawkins asked if the next board meeting could be scheduled a week earlier than normal, to give time for budgets and other paperwork to be prepared for the annual meeting. It was agreed to meet December 4, 2000. Herman Kline noted that he could not attend on that date.

**Meeting adjourned 8:45 p.m.**

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary-Treasurer



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting  
December 4, 2000

Jerry Figueroa called the meeting to order at 6:40 p.m. at Association Headquarters. Board members present were John Hawkins, Ellis Fritchman, Jerry Figueroa, Kelly Peterson, and Bryan Klaseen. Also present were Donna Ferganchuck, Dan Hawkins and Helen Hawkins.

**Minutes**

MOVED BY Jerry Figueroa

SECONDED BY Ellis Fritchman to accept the minutes of the November 13, 2000 Board meeting as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins presented the November 2000 Cash Flow Report. Helen Hawkins stated that the bank statements have not been received for the month so the Interest Earned amount will be increased on both the November and Fiscal Year Cash Flow Reports.

Jerry Figueroa asked if the penalty being charged by the IRS for late filing of the tax return had been rescinded. Dan Hawkins said he had not heard anything more from the IRS or from Kennedy and Coe. Figueroa said he would talk to Kennedy and Coe to try to find out where the situation stands.

MOVED BY Jerry Figueroa

SECONDED BY John Hawkins to accept the November 2000 Cash Flow Report

MOTION CARRIED with no opposing votes.

Dan Hawkins presented the Fiscal Year 2000 Cash Flow Report. He called attention to lines called "Year End Expensed Materials" which decreased expenditures for assets and increased expenditures for system maintenance. He said that all materials were booked as assets when they were purchased. At the end of the year, work orders were reviewed and some of the material costs were applied as operational expenses.

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to accept the Fiscal Year 2000 Cash Flow Report

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins reported that the amount of water used for the month was omitted from the written report. It was 5,105,300 gallons.

**Board Vacancy**

The board position left vacant by the death of Wayne McPherson was discussed. Jerry

Figueroa said the by-laws allow the Board to appoint a director to serve until the next annual meeting, when the position is to be filled by election. The annual meeting is one week away. The terms expiring are John Hawkins, Herman Kline, and Jerry Figueroa. The term of Wayne McPherson is up in 2001. The person elected this year to fill the vacancy will serve a one-year term.

Jerry Figueroa said he had spoken with Bob Tramp, who is interested in the position. He had invited Mr. Tramp to the board meeting, but he was unable to attend. Figueroa said he felt Tramp would make a good candidate. He was retired from a career as an undersheriff, and had a strong managerial background.

Dan Hawkins said he had invited Donna Ferganchick to the meeting, as she had also expressed an interest. Bryan Klaseen asked Mrs. Ferganchick if she wanted more public service after being County Commissioner. She answered that she was going to limit her activities, but was interested in this board. Jerry Figueroa explained the responsibilities of the position, and talked in general about the operation of the Association.

Jerry Figueroa then left the meeting to attend a cow that was calving. In the absence of Vice-President Kline, John Hawkins was appointed to conduct the meeting.

### **Subdivision Report**

Hunters Glen Major Subdivision: Dan Hawkins said that on the day of the meeting, he had received notice of the proposed development from County Planning. The application is for 36 lots on 84 acres. The property is mostly an apple orchard located southeast of the intersection of 2425 Drive and R-75 Road, known as the "Palmer Orchard," recently owned by Wayne and Marianne McPherson.

Dan Hawkins said the main line to the area is 4" outside diameter, and forty years old. It is located under the pavement of 2425 Drive in most places. He said he would like to replace the line, at least through the subdivision property. John Hawkins said an easement would be needed to get the line out of the road and over onto the subdivision property.

There was lengthy discussion of the upgrades that may be necessary to adequately serve the subdivision. John Hawkins suggested that the developer meet with the Board before a commitment to serve the subdivision is made. It was also suggested that the Fire District be consulted to determine what the fire flow requirements will be. The consensus of the Board was that comments to Delta County should be preliminary, pending talks with the developer to determine the requirements of the subdivision and the Association.

Dennison Minor Subdivision: This is a three-lot split located on Redlands Mesa along the west side of 2800 Road about ¾ mile north of the Grange. The property size is 40 acres, to be split into one 20 acre and two 10 acre lots. The existing home and water tap of Sam and Debbie Dennison will be located on the 20 acre lot (Lot 1). Two more taps will be needed. Dan Hawkins said the water source would be a 2½-inch line on the east side of 2800 Road. He said two taps could be served with one road crossing. Hawkins said he would like to see an easement on the property for future expansion of the Redlands system.

MOVED BY Kelly Peterson  
SECONDED BY Ellis Fritchman to approve the sale of two taps for Sam Dennison if an easement is acquired.  
MOTION CARRIED with no opposing votes.

Jerry Figueroa returned to the meeting and reported that the cow and calf were doing okay.

### **Year 2001 Budget**

Dan Hawkins presented three budget proposals. Under budget A the membership fee and monthly minimum charge remain as they are now (\$6,000 and \$15/month). Under budget B the membership fee is increased to \$7,000 and the monthly minimum is increased to \$20/month. The hiring of an additional employee for half the year is allowed for. Under budget C the membership fee is \$7,000 and the monthly minimum is increased to \$23/month.

Hawkins said he felt Budget A was inadvisable because it showed a net loss of operating income versus revenue. He said Budget C was the only scenario that would allow for a full time employee at this time. He said the administrative workload is getting to the point that he cannot spend as much time in the field as he would like, and that Dayton will need help in the operation and maintenance jobs.

MOVED BY John Hawkins  
SECONDED BY Bryan Klaseen to present both B and C 2001 budgets to the general membership.  
MOTION CARRIED with no opposing votes.

Dan Hawkins said the expenditures for the year did not equal 85% of the income. He said advice from CPA's was for the Board to formally declare that the unspent money is to be carried forward for anticipated construction needs in 2001.

MOVED BY Jerry Figueroa  
SECONDED BY John Hawkins to carry over \$24,000 from year 2000 income to year 2001 construction projects.  
MOTION CARRIED with no opposing votes.

### **Other**

After Donna Ferganchick left the meeting, it was

MOVED BY Bryan Klaseen  
SECONDED BY Kelly Peterson to appoint Donna Ferganchick as the temporary board member until the December 12, 2000 Annual Membership Meeting.  
MOTION CARRIED with no opposing votes.

There was discussion of what the Association could do for the McPherson family. Dan Hawkins said food had been purchased and taken to the McPherson home before the funeral. He said a plaque had been ordered in memory of Wayne, to be presented at the Annual Meeting.

Jerry said he believed there was a memorial fund that the Association could perhaps donate to.

MOVED BY Jerry Figueroa

SECONDED BY Kelly Peterson to present Marianne McPherson with a check of \$ 100 dollars for the memorial fund that was set up in memory of Wayne.

MOTION CARRIED with no opposing votes.

Dan Hawkins said he has been told that the Town of Cedaredge is scheduled to take action on both the raw water tap settlement agreement, and the operating agreement at their regular Trustees meeting December 13. Hawkins said he understood that the raw water tap settlement calls for a payment of \$8,000 per tap for each of four taps that were disconnected from the common raw water line. USCDWUA is only required to participate in three of the payments, making our share \$4,800. Hawkins said he would ask for a copy of the agreement for the Board.

John Hawkins said he had not arrived at an agreement with Beryl Morris about water purchase. Hawkins said he suggested a price of \$1,200 per cfs, and that Morris was going to consider that, and get back with us.

Meeting adjourned at 10:00 p.m.

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary-Treasurer

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

Minutes of Organizational Meeting  
December 12, 2000

President Jerry Figueroa called the meeting to order at 10:30 p.m. immediately following the Annual Stockholders' Meeting at the Cedaredge Community Center. Board Members present were Jerry Figueroa, Herman Kline, John Hawkins, Kelly Peterson, Bryan Klaseen, Ellis Fritchman, and Donna Ferganchick. Chairman Figueroa said the purpose of the meeting was to select officers for the coming fiscal year.

MOVED BY Ellis Fritchman

SECOND BY Kelly Peterson to retain the officers- President: Jerry Figueroa, Vice-President: Herman Kline.

MOTION CARRIED with no opposing votes.

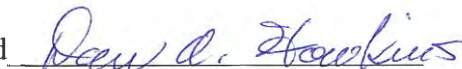
MOVED BY Kelly Peterson

SECOND BY Bryan Klaseen to appoint Dan Hawkins as Secretary-Treasurer.

MOTION CARRIED with no opposing votes.

The meeting adjourned at 10:35 p.m.

Respectfully Submitted



Dan A. Hawkins

Secretary-Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting (Special)  
December 20, 2000

Jerry Figueroa called the meeting to order at 2:30 P.M. at Berardi's Restaurant (The Divot). Board members present were Jerry Figueroa, John Hawkins, Kelly Peterson, Herman Kline, Donna Ferganchick, Bryan Klaseen and Ellis Fritchman. Also present was Dan Hawkins.

After a lunch for the Board Members and families, Jerry Figueroa called a special session to consider the raw water tap settlement and the Town of Cedaredge/USCDWUA operating agreement, both of which were adopted by the Town on December 13.

Figueroa explained that the raw water tap settlement calls for a payment of \$8,000 per tap to the owners of four raw water taps which were disconnected from the common line above the treatment plant. USCDWUA will participate in three of those payments, for a total payment of \$4,800.

MOVED BY Bryan Klaseen

SECONDED BY Ellis Fritchman to accept and participate in the Raw Water Settlement Agreement as adopted by the Town of Cedaredge.

MOTION CARRIED with no opposing votes.

MOVED BY Herman Kline

SECONDED BY Kelly Peterson to adopt and ratify the Operating Agreement made between the Town of Cedaredge and USCDWUA.

MOTION CARRIED with no opposing votes.

Meeting adjourned 2.45 P.M.

Respectfully Submitted, *Dan A. Hawkins*

Dan A. Hawkins  
Secretary-Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting  
January 8, 2001

Jerry Figueroa called the meeting to order at 6:40 p.m. at Association Headquarters. Board members present were John Hawkins, Ellis Fritchman, Jerry Figueroa, Kelly Peterson, Bryan Klaseen, Donna Ferganchick and Herman Kline. Also present were Dan Hawkins, Helen Hawkins, Paul Snell, Cliff Crader, Lawrence MacKendrick, Barbara Ball, Arlo Hanson, Milton Hood and Jim Roberts.

**Minutes**

Herman Kline suggested that in the minutes of the December 14, 2000 Annual Membership meeting, Dayton Myers should be referred to as Dayton Myers Sr.

MOVED BY Herman Kline

SECONDED BY Ellis Fritchman to approve the minutes of the Board meeting held on December 4, 2000, the organizational meeting held on December 14, 2000 and the special Board meeting held at Berardi's Restaurant on December 20, 2000.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins said the item showing a check to Kennedy and Coe, CPA was a repeat payment because a previous check for the same amount did not reach them.

Hawkins explained that the item for surveying was to satisfy the terms of an easement the Association obtained from the Parker estate, which promised an as-built survey of the pipeline. The new owner, Fraser, had requested a plat of the easement, so Valley Survey was hired to produce one. Jerry Figueroa asked if the Association had been approached about access into the Fraser property. Hawkins said there is a 60-foot wide access easement along the east side of Section 22 which coincides with the Association pipeline easement. The Frasers don't want to clear any more trees from the easement than what were already removed for the pipeline. They had asked if a DMEA pole line could be placed between the pipeline and the fence, which is a space of about six feet. Hawkins said he denied the request and also required that the driveway be kept off the pipeline.

MOVED BY John Hawkins

SECONDED BY Donna Ferganchick to accept the December 2000 Cash Flow Report.

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins presented the End of Month Report. He said the 12 new taps were all purchased before the tap fee increase passed at the Annual meeting December 14.



## Subdivision Report

### Deer Run Minor - Applicants: Paul and Bobbie Snell - Located at 1559 - 2600 Road.

Dan Hawkins presented a sketch of the subdivision showing the location of the well, the two domestic water taps, and the buried water lines. He said he is concerned about the intermingling of underground lines from the well and domestic sources. He said that while there appears to be no cross connection at this time, the potential is there. He recommended that tap #1403 be removed from Lot 2 and dedicated to serve Lot 3 (to the north). Tap 1410 could be left to serve only the present Snell home with no extension of pipelines outside the home. The well would then serve the mobile home and small rental house on Lot 2. A new tap would be purchased to serve Lot 1 (to the south).

Herman Klinc asked if this would require moving the meter for Lot 3. Dan Hawkins said no, that the meter is already located to the north, and the service line goes through Lot 3 anyway.

Jerry Figueroa said he wants to be sure future owners are aware and are required to honor the arrangement. Barbara Ball said there would be restrictive covenants, and notes on the plat of the subdivision. Jerry said the Association wants to see the final plat before approval.

Paul Snell asked if a fire hydrant could be installed on the east side of 2600 Road. Dan Hawkins said that there is a 4" line there, and a hydrant could be put in, at the expense of Mr. Snell.

MOVED BY John Hawkins

SECONDED BY Kelly Peterson to approve the sale of one tap to Paul Snell for Lot 1, to dedicate tap # 1403 to Lot 3, disconnecting it from Lot 2, and forbidding any extension of lines from the home served by tap #1404.

MOTION CARRIED with no opposing votes.

### Hunter's Glen Subdivision - Applicant Oliver Frasca - Owner Marianne McPherson - Location 2425 Rd and R 75 Road

Jim Roberts from Del-Mont Consultants introduced himself as the representative for Oliver Frasca, the developer. He distributed a sketch of the proposed subdivision to the board members. He said the plan had been revised since the original was submitted.

Jerry Figueroa said that the Association can supply domestic water for the subdivision, but may require the developer to pay for necessary upgrades to the system. He said the costs will depend on the subdivision piping layout, the fire protection requirements, and the amount of the Association system that will need to be improved to meet the water demand.

Arlo Hanson and Milton Hood were representing the Cedaredge fire district. Hanson said they would like an available water supply of 1000 gallons per minute for fire fighting. Hanson said that figure was consistent with the county-wide proposal for urban-wildfire interface standards.

Jerry Figueroa asked Dan Hawkins what system upgrades would be needed to serve the subdivision. Hawkins said that, at minimum, the steel line in 2425 Road from R75 Road to the foot of Cedar Mesa should be replaced, since it is old and located within the road. He said an easement should be obtained inside the subdivision for the new line. Hawkins said that to avoid using steel pipe for the new line, the pressure in the area should be reduced. This would be

accomplished by installing pressure reducing vaults at S25 Road and at the Panorama Heights supply line on the west rim of Cedar Mesa.

Jim Roberts asked how much water is available from the existing pipeline on 2425 Road. Hawkins said 300 gallons per minute had been measured at a fire hydrant ¼ mile from the subdivision. Hawkins said he believed 1000 gallons per minute will not be obtainable from the existing pipelines serving the area. He said that by connecting to the 6-inch line at 2475 Road, possibly 800 gallons per minute could be supplied. That would require a pressure reducing vault at the intersection of R75 and 2475 Roads, and a 6-inch line along R75 connecting the 2475 Rd. and 2425 Rd. pipelines.

Jim Roberts asked for an estimate of costs. Dan Hawkins said two pressure reducing vaults and a new line from R75 to the foot of Cedar Mesa would cost \$55,000. A pressure reducing vault and pipeline along R75 Road would be \$37,000. The interior piping in the subdivision would be \$50,000. The total cost of pipeline improvements would be \$142,000. Hawkins stressed this was a rough estimate, arrived at by applying a flat cost of \$14.00 per foot of pipeline. Jerry Figueroa said the digging would be rough in that area, and costs could be greater.

Jim Roberts said he expected the first phase of development would be the row of lots along 2425 Road. Mr. Roberts then left the meeting, asking to be advised of the Association's position the next day.

There was much discussion of what pipeline upgrades would benefit the Association and what would benefit the subdivision. Kelly Peterson asked if the proposed line along R75 would be a desirable improvement. Dan Hawkins said that while the existing line along R75 is probably undersized, it is PVC and in good condition. He said S25 road is in greater need of a new line, because the existing line is 1-¼ inch galvanized, and rusting out. He said that would be his preferred way of interconnecting 2475 and 2425 Rds., but would require an additional ½ mile of pipeline from S25 Rd. to the subdivision to do any good for the subdivision.

There was also discussion about the Association's increasing involvement in fire protection. John Hawkins said bigger line sizes are not necessarily good for domestic water service because they contribute to loss of chlorine and stale water. It was generally agreed that the domestic lines are often the only source of water for the fire department, and the Association probably cannot avoid future upgrades to meet the demand.

MOVED BY Bryan Klaseen

SECONDED BY Donna Ferganchick to serve Hunters Glen, with the following conditions :

- Taps are to be purchased by the developer for the lots contained in each phase of the development, before commencing that phase.
- Pipeline improvements are to be paid for by the developer, to include all interior piping, an 8" line through the subdivision along 2425 Road, a 6" line through the subdivision along R75 Road, and necessary pressure regulating stations and fire hydrants.
- Easements for USCDWUA pipelines are provided as required.
- All plat designs and revisions are subject to USCDWUA approval before committing taps.

MOTION CARRIED with no opposing votes.

Dan Hawkins said that in order for the Association to record the cost of the assets and to control the quality of the construction, the Association should supervise and pay for the construction of pipelines, hydrants and valve houses. The Developers will reimburse the Association for these costs, as Member Contribution to Capital Improvements.

## **Other**

### CPA

Dan Hawkins stated that Jim Rein from Kennedy and Coe has assured him he is close to clearing up the IRS fine. Pete Blair of Hawkins, Blair and Associates has offered that if the matter does not get resolved, he will investigate the matter.

Blair has presented the Association with an engagement letter to do the Financial Review for the Fiscal Year 2000 at a cost between \$ 1,500 and \$ 1,800.

MOVED BY Jerry Figueroa

SECONDED BY Kelly Peterson to engage Pete Blair as the Association's CPA

MOTION CARRIED with no opposing votes.

### Cedaredge Agreement

Dan Hawkins reported that Cedaredge Mayor Bill Miller has asked that the transfer of Town taps on the Association line be delayed until March 1. Miller said the Town's attorney is worried that there may be some resistance to the transfer, and that time was needed to do some public relations. Hawkins said that he would talk to Aaron Clay to be sure there is no potential legal problem that would prevent the transfer.

### Employee Search

Dan Hawkins said that he has made no formal move to advertise or solicit applications for another employee. But he said two Town of Cedaredge employees have asked to apply. Hawkins said he is interested in one of the men, Chuck Moore, who lives on Cedar Mesa and is a member of the Association. He has a class "D" water treatment license, a class "D" sewer license and a Class I water distribution license.

Jerry Figueroa said that to be fair to the members, the Association should advertise for an employee. The board agreed and asked Hawkins to write up job descriptions for all the employees to be available at the next Board meeting.

Meeting Adjourned 9:20 p.m.

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary - Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting  
February 12, 2001

Jerry Figueroa called the meeting to order at 6:40 p.m. at Association Headquarters. Board members present were John Hawkins, Ellis Fritchman, Jerry Figueroa, Kelly Peterson, Bryan Klaseen, Donna Ferganchick and Herman Kline. Also present were Dan Hawkins, Helen Hawkins, John Wendt and Oliver Frascona.

**Minutes**

MOVED BY John Hawkins

SECONDED BY Donna Ferganchick to approve the minutes of the Board meeting held on January 8, 2001 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

Helen Hawkins pointed out a correction in the December Cash Flow Report. The interest received in December was \$ 903.81 rather than \$ 516.77 which left a balance in the Reserve Accounts of \$ 186,143.21.

MOVED BY Donna Ferganchick

SECONDED BY Herman Kline to accept the January 2001 Cash Flow Report.

MOTION CARRIED with no opposing votes.

**End of Month Report**

Dan Hawkins presented the End of Month Report. The number of taps in the Association now stands at 800. There were no new taps issued in January.

**Subdivision Report - Hunter's Glen**

Jerry Figueroa reported that the Surface Creek Area Planning Committee had tabled consideration of the Hunters Glen proposal, until the issues raised by people at the Committee meeting could be addressed. Jerry then introduced John Wendt of Town and Country Realtors, and Oliver Frascona, from Boulder, CO.

Mr. Frascona told the Board he is proposing to purchase the property from Marianne McPherson and develop Hunters Glen. He said he is starting over with the design of the subdivision, and is concerned about the cost of water system improvements. He said the new pipelines required by the Association along 2425 Road and R75 Road will make the project too expensive to pursue, and he is asking the Association to reduce its requirements and relieve him of the responsibility of paying for those lines. Mr. Frascona said the proposed new lines are beneficial to the entire system, and should therefore be the responsibility of the Association.

John Hawkins said he agreed a new line along 2425 Road is beneficial, but a new line along R75 road is needed strictly to meet fire flow requirements of the subdivision. Jerry Figueroa said the Association is a domestic water company, and that line size upgrades for fire protection do not necessarily benefit the system.

There was further discussion during which several Board members explained the position of the Association toward growth and development. There was some consensus that the requirements could be modified somewhat. Mr. Frasca and Mr. Wendt left the meeting to allow the Board to discuss the matter.

Ellis Fritchman pointed out that, if the subdivision does not happen, the line will need to be replaced along 2425 Road anyway, at full cost to the Association, and possibly without an easement off the County Right of Way. There was general agreement that cooperating with the developer on the construction of the 2425 Road line was more beneficial to the Association than not having the subdivision at all.

Dan Hawkins distributed a letter he wrote on January 9, 2001 which was sent to Frasca and Delta County Planning. The Board went through the letter and specified the following changes:

Paragraph 3: USCDWUA will pay 75% of the cost of an 8-inch line along 2425 Road through the subdivision. Developer will provide a cleared right-of-way.

Paragraph 5: USCDWUA will pay 50% of the cost of pressure regulator stations for the 2425 Road pipeline

Paragraph 8: Phased purchase of water taps is allowed. Initially all taps for Phase I are bought, then when a lot is sold, a tap for the next phase is bought.

Paragraph 10: USCDWUA makes no guarantee of the volume or adequacy of fire flow.

MOVED BY Bryan Klaseen

SECONDED BY Kelly Peterson to send a new letter to Delta County Planning and the developer, incorporating the above changes to the January 9 letter, specifying the requirements to be met by the developer in order for USCDWUA to provide water service to the Hunter's Glen Subdivision.

MOTION CARRIED with no opposing votes.

### **2001 Construction Prognosis**

2550 Road: Dan Hawkins said County Commissioner Wayne Wolf had advised him of plans to straighten and pave 2550 Road from R Road south to Q-50. Hawkins said there is a collection of fittings under the road near Rita Trninich that should be upgraded before the road is paved. He said he does not have a plan or a cost estimate yet.

2420 Drive: Hawkins said Wayne Wolf also advised that the reconstruction of 2420 Drive off the south end of Cedar Mesa is being planned again. This was included in the 2001 budget for capital improvements. Hawkins said we will need to be thinking of what line size to use, and how far to extend the new line. Ellis Fritchman suggested approaching Bob Phillips to ask for easement on the north side of 2420 Drive, since there is no room for pipeline along that road between the Phillips and Fritchman orchards.

Telemetry/Automation: Hawkins said he wants to install automatic flushing stations at several locations on the system. He said new regulations requiring increased chlorine residual in the pipelines will be easier to meet if water is not allowed to stagnate in dead ends. Automated stations could flush the dead ends at night, avoiding customer inconvenience. Hawkins said the stations could be constructed for \$1400 each, and he had not determined how many would be needed. He also recommended radio telemetry stations at tanks and some regulator stations on the system to send information to the office.

MOVED BY Donna Ferganchick  
SECONDED BY Herman Kline to allow \$15,000 for equipment for Telemetry and Automation.  
MOTION CARRIED with no opposing votes.

Tanks: Dan Hawkins said that, in addition to pursuing the Cedar Mesa tank, he would like to rehabilitate the 30,000 gallon tank obtained from Town of Cedaredge and place it at the upper end of Redlands at the site of the existing 10,000 gallon tank. He said the major expense will be sandblasting and repainting the tank, plus moving and setting up. Site preparation can probably be done in-house. Hawkins estimated the cost at \$20,000 - \$25,000.

MOVED BY Bryan Klascen  
SECONDED BY Donna Ferganchick to move the 30,000 gallon tank to Redlands Mesa.  
MOTION CARRIED with no opposing votes.

### **Stock Transfers**

Henry Manz/Elizabeth Jensen/Susan Bradford: Dan Hawkins said Henry Manz died before transferring his water tap, but the property was transferred to his sister, Elizabeth Jensen. Mrs. Jensen then subdivided the property and sold the parcel with the Henry Manz tap to Suzanne Bradford. The land deeds are clear that the water tap was included. Aaron Clay has advised that it is safe to make a transfer to Suzanne Bradford. Hawkins said the transfer would be outside normal procedures, but he could see no benefit to the Association in refusing the transfer. He said that Willy Manz also died without transferring his tap, and that his property also went to Mrs. Jensen.

MOVED BY Jerry Figueroa  
SECONDED BY John Hawkins to transfer stock certificate 983 (Henry Manz) to Suzanne Bradford with a stock assignment signed by Elizabeth Jensen if possible, and to transfer stock certificate 731 (Willy Manz) to Elizabeth Jensen if she requests a transfer.  
MOTION CARRIED with no opposing votes.

Harley Carlson/Alice Pederson: Dan Hawkins said the problem was resolved, as Carlson's stock certificate has been found and was signed over to Mrs. Pederson by Mr. Carlson before his death.

### **Rate Increase Resolution**

Dan Hawkins said the by-laws specify that the Board of Directors officially sets the water rates, and suggested this might be in order, even though the general membership approved at the annual meeting.

MOVED BY Jerry Figueroa  
SECONDED BY John Hawkins to set the monthly minimum water charge at \$23.00, ~~and to apply an additional \$8 to each step in the overuse rate schedule.~~ (See March 12, 2001 Minutes)  
MOTION CARRIED with no opposing votes.

## Employees

Dan Hawkins passed out a memorandum listing the qualifications recommended for a new employee and a chart of the duties and responsibilities of the present employees.

Jerry Figueroa requested that board have an opportunity to discuss personnel questions at an executive session to be held on March 12, 2001 at 6:00 p.m. The board agreed.

## Other

Health Insurance: Dan Hawkins said he was concerned about the increase in HMO health insurance premiums. He said he asked Tom Voake (an insurance agent recommended to him by the Colorado Rural Water Association) to research the matter of health insurance and Voake has written in a letter that the Association's existing insurer, Rocky Mountain HMO, is the best health coverage for the money. Hawkins said he assigned Tom Voake to act as the Association's agent in dealing with RMHMO, as there previously had been no agent.

IRS Penalty: Hawkins reported that the Association has received a statement from the IRS showing that the penalty of \$ 2,300.00 for late filing of the 2000 tax return has been fully rescinded.

Cedaredge Transfers: Hawkins reported that the Town of Cedaredge has sent letters to the owners of the seven Cedaredge taps on Association lines, and that the transfer to USCDWUA will take place on March 1, 2001. Those owners have also been sent a letter and Membership Application by the Association. Hawkins will send a letter to Ashley Houser informing him that his tap will be transferred to Cedaredge, and asking for the surrender of his stock certificate.

Hawkins said Cedaredge Public Works Director Gary Noah had requested that the Elmer Lowrance tap, on R75 Road west of Surface Creek, not be transferred to the Town at this time because of the difficulty of extending a Town line to Lowrance's property. John Hawkins commented that there could be serious problems if there is a break in the Association line across Surface Creek to Lowrance's tap. Ellis Fritchman wants Cedaredge to start making plans to bring a line to Lowrance. Dan Hawkins asked if the Town should be given a time limit John Hawkins said it should be this summer. The consensus of the board was that the Lowrance tap should be changed over to the Cedaredge system within six months.

Meeting adjourned at 9:45 p.m.

Respectfully Submitted \_\_\_\_\_

Dan Hawkins, Secretary



**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Special Board of Directors Meeting  
February 21, 2001

Jerry Figueroa called the meeting to order at 2:10 p.m. at Association Headquarters. Board members present were Ellis Fritchman, Jerry Figueroa, Kelly Peterson, Bryan Klaseen, Donna Ferganchick and Herman Kline. Also present were Dan Hawkins and Helen Hawkins.

Jerry Figueroa explained that the meeting was called to decide whether the Association should offer to purchase Park Reservoir water from Marianne McPherson. Jerry stated that he had discussed the water with Mrs. McPherson, and she has asked a price of \$1,300 per share. A block of 50 or more shares is available.

Dan Hawkins handed out a memo showing the history of Association water purchases. He said the Association has \$216,000 cash now, and he did not think a water purchase would seriously affect the capital improvements program for the year. He said \$40,000 was budgeted for the purchase of water in 2001. The McPherson water would cost \$60,000 for 50 shares @ \$1200, or \$65,000 for 50 shares @ \$1300.

There was discussion of whether the Association needs more water at this time. The general Board feeling was that we don't necessarily need more water now, but water is always a safe investment.

Jerry Figueroa said he wanted the Association to pay a fair market price to be fair to Mrs. McPherson. The memo from Dan Hawkins indicated that \$1200 to \$1300 per share is fairly representative of water purchased recently by the Association. Herman Kline suggested the Association offer \$1,250 per share.

There was discussion of the amount of water to buy. More than 50 shares may be available. Herman Kline suggested offering to buy 50 shares at \$1250 per share, and consider more later, if it is available.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to offer Marianne McPherson \$1,250 a share for 50 shares of the Park Reservoir.

MOTION CARRIED with no opposing votes.

Jerry Figueroa agreed to carry on negotiations with Mrs. McPherson.

Meeting adjourned at 3:00 p.m.

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins, Secretary

UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION

Board of Directors Meeting  
March 12, 2001

Jerry Figueroa called the meeting to order at 6:40 p.m. at Association Headquarters. Board members present were John Hawkins, Ellis Fritchman, Jerry Figueroa, Kelly Peterson, Bryan Klaseen, Donna Ferganchick and Herman Kline. Also present were Dan Hawkins and Helen Hawkins.

Jerry Figueroa explained the outcome of the executive board session held at 6:00 p.m. The Board officially approved the following holidays for the staff: ~~New Years, Easter, Independence Day, Thanksgiving, and Christmas~~. New Years Day, Independence Day, Labor Day, Memorial Day, Thanksgiving and Christmas. (See April 9, 2001 Minutes) There was also a discussion of an annual cost of living wage increase

MOVED BY Ellis Fritchman

SECONDED BY Kelly Peterson that Dayton Myers Jr. and Helen Hawkins should receive a three percent (3%) wage increase and Dan Hawkins receive a five percent (5%) wage increase, effective March 1, 2001, and that a cost of living wage increase be reviewed at the end of each year.

MOTION CARRIED with no opposing votes.

### Minutes

John Hawkins offered an amendment to the minutes which had been previously mailed to the Directors. A motion concerning water rates was recorded in the minutes as follows: "To set the monthly minimum water charge at \$23.00 and to apply an additional \$8 to each step in the overuse rate schedule."

In discussion, the Board agreed that, although the additional \$8 for each step in the overuse rate schedule was an automatic result of the increase in the minimum, this was not the way the motion was made or seconded. Dan Hawkins admitted he had probably expanded the wording of the motion unnecessarily.

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to correct the minutes so the motion concerning the Rate Increase Resolution reads as follows: "To set the monthly minimum water charge at \$23.00."

MOTION CARRIED with no opposing votes.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to approve the minutes of Board Meeting held on February 12, 2001 as corrected.

MOTION CARRIED with no opposing votes.

### Financial Report

Donna Ferganchick noted that the payment for water treatment covered two months, and asked if the Town of Cedaredge typically billed two months at a time. Dan Hawkins answered that billing is

monthly, but there had been a dispute over the December bill which caused a delay in payment.

John Hawkins asked about the annual water treatment reconciliation with the Town. Dan Hawkins said it had been completed. Cedaredge owes USCDWUA \$ 299.34 which has not yet been received. He said an adjustment was made to account for wasted water at the treatment plant, which has been accounted for as the Town's share of treated water. This has put the Town at a disadvantage in apportioning water treatment costs. Hawkins said he and Public Works Director Gary Noah have agreed that 5% of the treated water shall be assumed wasted, and is to be subtracted off the top before calculating the cost per gallon of water treatment.

Jerry Figueroa asked what the expenditures for Automation/Telemetry entailed. Dan Hawkins answered that four electrical boxes, four radios, six solar panels, ten batteries and other odds and ends were purchased.

MOVED BY Donna Ferganchick

SECONDED BY Bryan Klaseen to accept the February 2001 Cash Flow Report.

MOTION CARRIED with no opposing votes.

### **End of Month Report**

Dan Hawkins pointed out two tap transfers from Cedaredge, in accordance with the new operating agreement. Five more such transfers remain to be completed.

### **Subdivision Report**

#### Hunter's Glen:

Dan Hawkins reported that the application for Hunter's Glen has been officially withdrawn. Jerry Figueroa said that Marianne McPherson has a new buyer for the property, and there probably will not be a subdivision. He said Mrs. McPherson plans to sell Park water shares to the Association after the sale of the property is closed,

#### Nichols Minor Subdivision - Robert M. Nichols, 1816 2425 Drive

Dan Hawkins said Nichols already owns two taps for the two lots proposed in the subdivision. Hawkins said he would like to get a water line easement along the west side of the property, bordering the right of way for 2425 Drive. This would extend from S25 Road about 1200 feet south.

MOVED BY Jerry Figueroa

SECONDED BY Donna Ferganchick to advise Delta County Planning that a pipeline easement is requested along the west side adjacent to 2425 Road.

MOTION CARRIED with no opposing votes.

#### Vincent Minor Subdivision - James W. & Susanne Vincent, 2405 S-25 Road.

Dan Hawkins said the two taps are already installed for the two lots proposed. One of the taps was previously connected to a private water line which reaches the property from 2425 Road. When Vincent bought the property, he did not want the tap on the private water line, so the tap was relocated to the 2" line on S25 Road, and a second tap purchased by Vincent was also connected at S25 Road.

John Hawkins gave the history of the private line. He said it was built around 1970 and was allowed to be private because the tap owners and the Association could not reach agreement on who should pay for it. He said it is the only private line with multiple taps ever established in the system. There were three taps on the line, one of them since disconnected at the request of Vincent.

During discussion, it was suggested that Delta County Planning be made aware of the existence of the line, and be advised that it cannot serve the subdivision. Probably it should be severed and capped

outside of the subdivision. John Hawkins suggested that the Association offer to assume responsibility for the line, since some or all of the original owners have died or sold.

It was also discussed whether an easement north through the property from S25 Road would benefit the Association in the future. Dan Hawkins said it would offer a starting point for looping the supply for S25 Road to increase the supply there.

MOVED BY Donna Ferganchick

SECONDED BY Kelly Peterson to advise Delta County Planning that a pipeline easement is requested on the west side of the property, which is a section line. Also that the private line to the property is capped and unavailable for use on the subdivision.

MOTION CARRIED with no opposing votes.

### **Certification**

Dan Hawkins said new State regulations effective in February 2001 make it mandatory for distribution system operators to be licensed. Hawkins said he and Dayton Myers hold Class 3 Distribution certificates, which is presently the highest existing grade. Hawkins and Myers had taken tests March 10, attempting to upgrade their treatment plant certificates, Hawkins to a B and Myers to an A. The results will not be known for a month or more.

Hawkins said the licenses must be renewed every three years, and the requirement for renewal is a certain number of "training units" recognized by the State. These units may be obtained by attending approved seminars, or by attending a one-week school at the University of Colorado at Boulder.

Donna Ferganchick said it would probably cost less time and money to attend the one-week school than to keep up with multiple seminars. She suggested placing a line item for education in the budget. Jerry Figueroa said the Association should pay all costs of keeping the required certificates current.

### **Hiring**

Dan Hawkins asked if the Board is ready to proceed with hiring a new employee.

MOVED BY Bryan Klaseen

SECONDED BY Herman Kline to proceed with hiring a new employee.

MOTION CARRIED with no opposing votes.

### **Construction**

#### Automatic flushing stations

Dan Hawkins said one automatic flushing station is being tested and is planned to be installed in March. Hawkins said he thought the first site should be the Marshall Subdivision on Redlands Mesa, where there is a significant length of 4" pipeline with only one tap using it. The owners of that tap have complained about taste and air bubbles in the water. Hawkins said the units are constructed using a Cl-Valve turned on and off electrically by a programmable timer. The units are powered by a solar-charged battery.

John Hawkins expressed concern over the amount of water to be wasted by the flushing stations. Dan Hawkins said he had not made a detailed study of that issue yet, but would be working on it.

#### Rita Trninich

Dan Hawkins said he thinks that at least a new crossing pipeline needs to be placed under 2550 Road at its intersection with R Road, and near the home of Rita Trninich, before the road is straightened and paved. He said a preliminary cost estimate is in the range of \$3,000-\$4,000.

Rupp Subdivision

Dan Hawkins said he is presently going to meet with Morrie Rupp to determine the route of a pipeline easement in the Rupp (Moejan) Subdivision. Hawkins said he had advised Delta County Planning that the Association needs an easement through the subdivision for future extensions. He asked the Board if the pipeline extension should be built at the same time as the construction for just the subdivision itself.

After considerable discussion, the Board generally agreed that the extension should not be built at this time, as there may be a chance of obtaining contributions from other developers later.

**Other**

Town of Cedaredge:

Dan Hawkins said he and Cedaredge Public Works Director Gary Noah have tentatively agreed on a definition of the carrying capacity of the common system - 2000 gallons per minute. Hawkins said the main limiting factor is the capacity of the raw water gathering network. Hawkins said the Association's 20% share of capacity is 400 gallons per minute. In the summer of 2000, the Association's peak draw was 320 gallons per minute. Hawkins said he has discussed with Noah the possibility of arranging a lease of additional capacity if it should become necessary.

Hawkins said the recent improvements to the Town's system have drastically cut their consumption. He said in February the USCDWUA part of the treated water was 45%. He said this will mean higher USCDWUA treatment costs in 2001.

Health Insurance Cost:

Kelly Peterson reported on an article in the Daily Sentinel concerning legislation which prohibits insurance companies from excluding small employee groups from coverage, or differentiating them from larger groups. This has changed the odds for insurance companies, and is a part of the reason for rapidly increasing premiums.

Objection to Park Service Proposal

Jerry Figueroa reported that the National Park Service is proposing to release large amounts of stored water through the Black Canyon and Gunnison Gorge. The reason would be to scour out the river bed to more closely resemble its wild state before the construction of dams, such as Blue Mesa.

Figueroa said he believed this would seriously injure all who hold water rights in Colorado, and is in reality an effort to send more water across state borders to satisfy downstream needs. He said there is a formal procedure to comment on this plan, and a fee of \$45 to file a comment.

MOVED BY Jerry Figueroa

SECONDED BY Bryan Klaseen that the Association formally object to the Park Service proposal to release high flows through the Black Canyon.

MOTION CARRIED with no opposing votes.

Meeting adjourned 9:00

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary - Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting  
April 9, 2001

Jerry Figueroa called the meeting to order at 7:40 p.m. at Association Headquarters. Board members present were John Hawkins, Bryan Klaseen, Ellis Fritchman, Jerry Figueroa, Kelly Peterson and Donna Ferganchick. Also present were Dan Hawkins and Helen Hawkins.

**Minutes**

Kelly Peterson pointed out an error in the March 12, 2001 minutes. The minutes read that the holidays approved for the employees were New Years, Easter, Independence Day, Thanksgiving and Christmas. The list should have been New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

MOVED BY Kelly Peterson

SECONDED BY Bryan Klaseen to approve the minutes of the Board Meeting held on March 12, 2001 as corrected.

MOTION CARRIED with no opposing votes.

**Financial Report**

Dan Hawkins explained the expenditure of \$62,700 from the Commercial Federal reserve account was \$62,500 for 50 shares of Park Reservoir, purchased from Marianne McPherson, plus transfer fee of \$25 and assessments of \$175.

Hawkins explained the Members Contribution to Capital Improvements from Gene Dove was a neighborhood collection for a fire hydrant at 2425 and T75 Road. Hawkins said he plans to replace a non-functional main line valve at that corner as part of the hydrant installation.

MOVED BY Bryan Klaseen

SECONDED BY Donna Ferganchick to accept the March 2001 Cash Flow Report as presented.

MOTION CARRIED with no opposing votes.

**End Of Month Report**

Dan Hawkins said all the Town of Cedaredge taps connected to Association lines have been transferred except two, those being Kissner and Kramer. Those tap owners have not yet responded with membership applications.

Brian Klaseen noted that the Manz Brothers taps had been successfully transferred, and asked if all the requirements for transfer had been met. Hawkins said Elizabeth Jensen had provided all the documentation requested, and the former Henry Manz tap was transferred to Suzanne Bradford, and the Willy Manz tap to Elizabeth Jensen.

Hawkins reported on a serious leak near the master meter vault at the main tank on Milk creek, which had been isolated and stopped, but not repaired yet.

## **Houser Tap**

Dan Hawkins said he had sent a letter to Ashley and Marsha Houser advising them that they would be served by the Town of Cedaredge in the future, and are no longer Association members. The letter asked for the surrender of their stock certificate. The Housers have said they cannot find the certificate, believing that it is at West Star Bank. The Association record shows that it was sent to the Housers, and received by them. Hawkins said he asked attorney Aaron Clay what procedure to use if the Houser certificate cannot be recovered. Clay's advice was that the Board adopt an Administrative Resolution which would cancel the stock certificate.

MOVED BY John Hawkins

SECONDED BY Ellis Fritchman that a certified letter be sent to Ashley and Marsha Houser making a final request for the surrender of Stock Certificate # 1387 and that the Secretary prepare an administrative resolution for the consideration of the board to nullify Stock Certificate # 1387 at the next board meeting.

MOTION CARRIED with no opposing votes.

Dan Hawkins said he has heard that the Housers are planning a minor subdivision, and have approached the Town for water taps. The Cedaredge Board of Trustees has not yet acted on the request. Hawkins asked if the Board has any objection if the Town wishes to serve the Houser subdivision. There was no objection. Hawkins then said he had unofficial word from the Town Public Works Supervisor that the Town would refuse to serve the subdivision, and send Housers to USCDWUA. After discussion, it was the consensus of the Board to wait until a formal request for taps was received before considering the matter further.

## **Construction**

### **2550 ROAD**

Dan Hawkins presented a cost estimate of \$5,000 to make two road crossings on 2550 Road, one crossing at R Road and another ¼ mile south, near Rita Trinich. He also estimated a cost of \$9,100 to install a new 6" pipeline along 2550 road between the two crossings. He said Trinich has indicated a willingness to grant an easement along the west side of 2550 Road. Hawkins said he also wanted to talk to Robert MacFarlane about using the east side of the road. MacFarlane is in Arizona now, expecting to return in May.

MOVED BY Ellis Fritchman

SECONDED BY Donna Ferganchick to cross 2550 Rd. with new pipe at R-Road and near Rita Trinich's and to install 6" pipe along 2550 Rd between the two crossings as soon as possible.

MOTION CARRIED with no opposing votes.

### **RUPP SUBDIVISION**

Hawkins said construction of the four-inch line extension into the Rupp (Moejan) subdivision is expected to start any time.



### **Flushing Stations:**

Dan Hawkins gave the Board a list of seven potential sites for automatic flushing stations, with the expected water use at each one, and the reason for needing a station there. According to prediction, a station will use about the same water as an average tap per month. Hawkins showed the Board a model of the control box which is mounted above ground, consisting of a solar panel, 12 volt battery, and an electronic timer to open and close an underground electrically operated valve. Hawkins said the first station had been installed at the end of the Marshall Subdivision line. There was some concern expressed about vandalism, and the need to place the solar panels away from public notice if possible.

### **New Employee**

Dan Hawkins said the Association had received 10 applications in response to the advertised job. He said he felt the best qualifications were held by Chuck Moore, who is presently employed by the Town of Cedaredge. Hawkins said he had polled the Board by phone to get approval to hire Moore, in order for Moore to give notice at his current job and come to work by April 18 to help with meter reading.

MOVED BY John Hawkins

SECONDED BY Jerry Figueroa to ratify the hiring of Chuck Moore as the Association's new employee.

MOTION CARRIED with no opposing votes.

After discussion of compensation, the consensus was to pay Chuck Moore a starting salary of \$1,900 per month, start health insurance after 90 days, and start IRA contributions at the beginning of the next fiscal year.

### **2425 Road**

John Hawkins said he is concerned about the future of the line along 2425 Road north of the Rodeo Grounds. He said if Delta County is planning to pave that road this summer, a new pipeline should be installed first. Dan Hawkins said the paving had been put on hold while the Hunters Glen Subdivision was pending, but might be back on track now that the subdivision is defunct.

There was considerable discussion about the type of pipe that should be used. Dan Hawkins said if 200-psi rated PVC pipe is used, pressure regulating stations will be needed to prevent damage to the pipe. If steel pipe is used, no pressure reduction will be necessary, and the line can continue to be a second source for a large area of Cedar Mesa. Hawkins said the greater price of steel pipe would be mostly offset by not needing pressure reducing stations.

By consensus, the Board instructed the manager to find out the County's plan for paving the road, and get cost estimates for the project, considering both types of pipe. If the project must go forward quickly, a special meeting may need to be called.

### **Other**

Dan Hawkins said the State Health Department has increased the classification of the treatment plant from a "B" to an "A" level. Although an operator with a lower classification may run the plant, he must consult with the "A" operator before making any adjustments that

could affect water quality. Hawkins said this includes most of the plant procedures. The only "A" operators in the area are Jim Hoffbaur, employed by Cedaredge, and Keith Peterson of Orchard City. Results are not in yet from Dayton's attempt to pass the "A" exam.

Kelly Peterson said he encountered some new rules in another water company prohibiting the installation of stop-and-waste valves and self-draining yard hydrants. He asked if the Association is considering such measures. Hawkins said he is not aware of a law specifically prohibiting stop-and-drain devices. He said we rely on dual check valves in the meter yoke to prevent backflow into the system. He said the Association will probably need to adopt an official cross-connection prevention program at some point.

Meeting adjourned at 9:30 p.m.

Respectfully Submitted \_\_\_\_\_  
Dan A. Hawkins, Secretary

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION**

Board of Directors Meeting

May 14, 2001

Jerry Figueroa called the meeting to order at 7:35 p.m. at Association Headquarters. Board members present were Herman Kline, John Hawkins, Bryan Klaseen, Ellis Fritchman, Jerry Figueroa, Kelly Peterson and Donna Ferganchick. Also present were Dan Hawkins, Helen Hawkins and Marcia Houser.

**Minutes**

MOVED BY Herman Kline

SECONDED BY Kelly Peterson to approve the minutes of the Board Meeting held on April 9, 2001 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

The April 2001 Cash Flow Report was presented. Also, the CPA Review prepared by Pete Blair was delivered. The board will study the review and discuss it at next month's board meeting. Dan Hawkins pointed out that Pete Blair showed the 30,000 gallon tank given to the Association by Cedaredge as a \$ 10,000 contribution.

MOVED BY Bryan Klaseen

SECONDED BY Donna Ferganchick to accept the April 2001 Cash Flow Report as presented

MOTION CARRIED with no opposing votes.

**End of Month and System Usage Reports**

Dan Hawkins said the two new taps sold in April are both on Redlands, served by the upper tank. The Magaziner tap is to be installed east of the upper tank, and will require a pressure system by the owner because the building site is higher than the tank. The King tap is for what is now known as "Blue Luna Ranch," along the south side of P-50 Lane, and will not require a pressure system by the owner.

**Subdivision Report**

Marsha Houser:

Mrs. Houser presented her subdivision plans to the Board, and requested three water taps. The property to be divided lies between Milk Creek and 2500 Drive, north of the USCDWUA main water tank. She said taps had been denied by the Town of Cedaredge, and she was advised to approach USCDWUA.

Dan Hawkins reviewed for the Board and Mrs. Houser the terms of the operating agreement between USCDWUA and the Town. The common line is designated to be under the Town's administration, with any new taps provided by the Town. Mrs. Houser asked to see the agreement, and a copy was given to her.

John Hawkins said it is clear that the area of the proposed subdivision is the Town's responsibility, due to the agreement and the physical constraints of our system. He said he does not favor putting in pumps that would be necessary to serve the subdivision.

Kelly Peterson asked if a pressurized line could be brought from the diversion box. Dan Hawkins said the high pressure in the box is only available upstream from the USCDWUA master meter. The meter would need to be relocated and a line connected downstream from it. Hawkins said he did not think there was room to plumb in a line inside the vault without fabricating some custom fittings.

Further discussion showed the Board was unanimous in the feeling that the Houser subdivision lies outside USCDWUA service territory, and that we are prohibited from serving the area by agreement. Jerry Figueroa suggested the manager send a letter to Cedaredge reminding them of the agreement about territories, and stating no objection if the Town wishes to grant taps to the Housers. The Board concurred.

MOVED BY Donna Ferganchick

SECONDED BY Ellis Fritchman to deny water taps for the Houser Subdivision because the property is above the main water tank and is not in the Association's territory. The Association will not object if the Town of Cedaredge grants water taps for the subdivision.

MOTION CARRIED with no opposing votes.

Allen Adger:

Dan Hawkins explained that Allen Adger is the husband of Ann Harris. The Harris Minor Subdivision, which lies immediately south of the Houser property, was first considered in December 1999. At that time, it looked as though the common line would be administered by USCDWUA. Therefore, the Association granted taps for the Harris subdivision and specified that the developer would build a pressurized line from the common line just above the diversion box. Since then, the common line has become the responsibility of the Town. Allen Adger has written that he would rather not build a pressurized line, and asked that the taps be allowed to come off low-pressure lines near the main tank. Hawkins said that arrangement would require lot owners to install their own pressure systems.

Donna Ferganchick asked if the situation is essentially similar to Houser's. Jerry Figueroa answered that Adger/Harris is in our service territory, whereas Houser is not.

MOVED BY John Hawkins

SECONDED BY Bryan Klaseen to approve the request by Allen Adger to connect taps for the Harris Subdivision at points below the tank with the written understanding that tap owners shall bear all cost of installing and maintaining pressure systems if required.

MOTION CARRIED with no opposing votes.

Rupp:

Dan Hawkins said 1,420 feet of 4" pipe was installed to serve the Rupp (Moejan) minor subdivision. Rupp will bear the cost, except for oversized pipe. An automatic

flushing station was installed at the end of the new line. Hawkins said the flushing station and the one at Marshall Subdivision have been working with no problems.

### **Construction Report**

Telemetry: Dan Hawkins reported that enough equipment has been purchased to install five transmitters. The first to be installed will be the Redlands Mesa tanks.

2550 Road: Dan Hawkins said Delta County and Rita Trminich have not worked out details of the road straightening plan on her property. The paving has been put on hold until later, perhaps August. Hawkins said he asked Robert MacFarlane about an easement along the east side of 2550 road from R Road south 1/4 mile, and MacFarlane is considering it. Hawkins said the east side may be more advantageous because it avoids a leach field and some trees on the Trminich property on the west side of the road.

Hawkins said there are also two road crossings that should be made north of R Road before paving is done. They would be for future use when a new transmission line is brought down 2550 Road from the proposed Cedar Mesa Tank.

2425 Road: Hawkins said that according to the road supervisor, 2425 Road from R to R75 will be paved next year. This allows for replacement of the pipeline either this fall or next spring. He handed the Board an estimated cost comparison for 6" and 8" steel pipe versus 6" and 8" PVC pipe. The PVC alternatives would require pressure reduction, the steel would not. After lengthy discussion, it was decided by consensus to order 6" steel pipe for the project, and wait until fall or next spring to begin construction, depending on finances.

Project Priorities : Dan Hawkins gave the Board a list of other potential construction projects and asked for help in establishing priorities. There was lengthy discussion.

MOVED BY Jerry Figueroa

SECONDED BY Herman Kline to set construction priorities as follows: *1*: Survey and Engineering of the new Cedar Mesa Tank; *2*: 2550 Road below R Road; *3*: Half mile replacement of 2550 Road on Redlands; *4*: 2420 Drive on south end of Cedar Mesa.

MOTION CARRIED with no opposing votes.

### **Certification Test Results**

Dan Hawkins reported that he passed the test for a class **B** Water Treatment Plant Operator Certificate. Dayton Myers did not pass the test for the **A** Plant Operator Certificate. Hawkins said that no one in Colorado passed the **A** test. The highest score statewide was 138 out of 200, and Myers got 134.

There was a general discussion about the necessity of sending Dayton to a week long school in Boulder that prepares operators for the test. Hawkins said he will get information on the school. Hawkins said he himself would not be eligible to apply for an **A** certificate for one more year.

**Meeting Adjourned 10:00 p.m.**

John Hawkins requested the meeting reconvene to consider a resolution to cancel Marcia and Ashley Houser's Stock Certificate # 1387. The Secretary presented Resolution #01-01.

The Board voted **7(seven)** votes for the adoption of the resolution a **0(zero)** votes against adoption. Board President Gerald Figueroa declared the resolution adopted. The resolution will remain with the minutes of this meeting.

**Meeting Adjourned 10:20 p.m.**

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary - Treasurer

**UPPER SURFACE CREEK DOMESTIC  
WATER USERS ASSOCIATION  
Board of Directors Meeting  
June 11, 2001**

Jerry Figueroa called the meeting to order at 7:45 p.m. at Association Headquarters. Board members present were Herman Kline, John Hawkins, Bryan Klaseen, Ellis Fritchman, Jerry Figueroa, Kelly Peterson and Donna Ferganchick. Also present were Dan Hawkins, Helen Hawkins, Debbie White and Don White.

**Minutes:**

MOVED BY Herman Kline

SECONDED BY Bryan Klaseen to approve the minutes of the Board Meeting held on May 14, 2001 as written and mailed to the board members.

MOTION CARRIED with no opposing votes.

**Financial Report**

MOVED BY Bryan Klaseen

SECONDED BY Kelly Peterson to accept the May Cash Flow Report as presented.

MOTION CARRIED with no opposing votes.

**End of Month and System Usage Reports:**

Dan Hawkins reported that Milton Cramer had not yet returned a membership application to transfer a former Cedaredge tap. The tap is installed at the Muck place, and Daisy Muck still lives there, although she has sold to Kramer. Mrs. Muck has agreed to pay the monthly bill until she moves out later this summer. Hawkins suggested that the tap could be shut off at that time if the transfer is not completed.

Hawkins distributed graphs of the water usage and reserves for this year and last year. The usage so far is slightly less than last year. The reserve storage is greater than last year, due to the purchase of Park water earlier in the year.

**Don and Debbie White:**

Mr. and Mrs. White requested a tap for property which runs off the southeast corner of Redlands Mcsa down onto the upper end of Rogers Mcsa. They said they plan to build on top of Redlands, and have an easement agreement with Jess Marshall which would allow them to connect to the Marshall Subdivision line.

Dan Hawkins said the meter would be installed near an existing one in the Marshall Subdivision, and there would be no problem with supply.

MOVED BY Donna Ferganchick

SECONDED BY John Hawkins to approve the sale of a tap to Don and Debbie White.

MOTION CARRIED with no opposing votes.



## **Water Outages:**

### Memorial Day Weekend:

Dan Hawkins reported that on the evening of Sunday, May 27, the main tank on Milk Creek went dry. Hawkins was out of town, and the situation was reported to him by cell phone. Dayton Myers and Chuck Moore spent most of the night getting water restored and looking for a possible line break. It was estimated that 100 to 150 taps were out of water until midnight, when the tank began gaining again. The next day, Myers and Moore checked the system for leaks, but did not find any.

The problem was blamed on the float valve which keeps the tank full. Somehow the valve stuck in a partially open position. It has not been possible to duplicate the problem, or explain why it stuck. This is the first problem with the valve in the four years since it was installed.

Dan Hawkins showed the Board a drawing of the main tank fill system to explain how it works. He said Myers and Moore found that it was impossible to fill the tank at a rate more than 400 gallons per minute. Hawkins said this is due to the existence of about 200 feet of old six-inch pipe in the fill system. The friction created by this pipe at high flows creates a false impression that the tank is full, and closes the float valve. Hawkins proposed replacing the 6-inch pipe with 8-inch pipe to match the rest of the fill piping. An estimated cost was in the range of \$5,000. Hawkins also proposed installing telemetry on the main tank to keep the office informed of the tank level, and an automatic dialer to send an alarm out to the personnel on call during off hours. The Board concurred that both these proposals should be implemented.

Hawkins said many complaints had been received about air or discolored water as a result of the outage. He said that some of the areas could be cleared up by flushing.

### Two planned outages:

Dan Hawkins said there were two other instances where several homes were out of water for half a day, but they were planned and the customers were advised in advance. The reason was installation of fire hydrants.

## **Grantham Tap buyback request**

Dan Hawkins said this item had been removed from the agenda at the request of Rodney Grantham. He said Grantham had requested the Association buy back one of three taps owned by him and his brother for their property on S25 Road, but had changed his mind on the day of the meeting. Hawkins surmised they may want to move the tap to another part of their property. The Board did not express any opposition to that possibility.

## **Subdivision Report**

Bert Sargent - Rock and Pine minor - Redlands Mesa:

The proposed subdivision is at the intersection of O Road and 2800 Road on Redlands Mesa. There is a 4-inch line on the north side of O Road. The parcel is about 28 acres, and will be divided into two lots, one of which already has a home on it, and is served by a well.

Dan Hawkins said he proposed that the Association seek a main line easement along the west side of the 2800 Road easement in order to build a line southward from O Road. He also

wants stipulations for separation of domestic and well service.

MOVED BY Jerry Figueroa

SECONDED BY Donna Ferganchick to approve the sale of taps for Rock and Pine subdivision, with requirements for an easement and separation of well and domestic service.

MOTION CARRIED with no opposing votes.

## **Construction Report**

### Telemetry:

Dan Hawkins gave the board some graphs of data received from the two Redlands Mesa tanks. The information included tank levels, line pressure, battery voltage and temperature. Hawkins said the temperature information was included to be sure the solar battery charging was working correctly, as the charging voltage is varied according to temperature to get the best longevity

Telemetry for the Milk Creek main tank was discussed. Hawkins said he thinks a repeater will have to be installed at a location which can see the office and the main tank, because the radios used are only good for line-of-sight transmission. He said there are potential repeater sites in the Surface Creek valley.

### 2550 Road:

Delta County has given up plans to pave the road past Rita Trninich this year. That will give some additional time to plan the best upgrade of the pipeline before paving occurs. However, chip and seal paving will take place within a few weeks on 2550 Road north of R Road. Installation of two 12" diameter casings across 2550 Road will take place this week. The casings will be for an anticipated future main pipeline.

### Fire Hydrants:

Two new hydrants were installed. One is in Lone Pine Subdivision, near the end of the Association driveway. It was paid for by Dick Ducic, in conjunction with his redivision of two lots a couple of years ago. The other hydrant is on the west side of 2600 Road on Cedar Mesa, for the Snell Subdivision. It was paid for by Paul Snell.

## **Other**

### Rocks on right-of-way:

Dan Hawkins said that much of the Association pipeline in the upper Surface Creek area has been covered with big rocks left over from the Town of Cedaredge main line project. He said he has had several conversations with Public Works Director Noah, but there has been no action to move the rocks. Hawkins said he is concerned that many of the rocks are too big to move with the Association's backhoe if we have to repair the line. The Board concurred that a letter should be written formally asking for the rocks to be moved off the pipeline.

Rock Keim water problems:

Jerry Figueroa said Rock Keim had called him to complain that he was frequently out of water at his home along the Lone Pine Ditch about a mile north of the office. Dan Hawkins said he was not aware of any problems in that area this year, except for the Memorial Day outage, which did affect upper Cedar Mesa. Hawkins said Terry Messenger, who lives across the road from Rock Keim, has volunteered to keep an eye on pressure and let us know if there is a problem. Messenger has not reported any problem this year besides Memorial Day, nor has Tom Nichols, who is always the first tap along Lone Pine to run out if there is a problem.

CPA Review Discussion:

Discussion of the Blair and Hawkins CPA Review was tabled until next meeting.

Respectfully Submitted \_\_\_\_\_

Dan A. Hawkins  
Secretary - Treasurer