



CANCELLATION NOTICE OF ANNUAL MEETING

The Annual Membership Meeting of the
**UPPER SURFACE CREEK
DOMESTIC WATER USERS ASSOCIATION**

will be

**CANCELLED FOR DECEMBER 2021
DUE TO COVID-19 PANDEMIC**

Deborah Christner, President
Amber McPherson, Secretary-Treasurer

After much deliberation, the Board of Directors determined that due to COVID-19 it was in the best interest of the members to cancel the annual meeting for 2021.

Enclosed is the Budget for 2022, Financials for 2021, and the reports from the President, Office Manager, and Operations Manager for 2021.

We realize that this is not ideal and will keep everyone informed as much as possible.

We hope that everyone is healthy and safe during this pandemic.

For the Board of Directors,

Amber McPherson, Secretary-Treasurer



Upper Surface Creek Domestic Water Users Association

Annual Meeting Report (Meeting cancelled due to Covid-19)

Due to Covid-19, the Annual Meeting of Upper Surface Creek Domestic Water Users Association was cancelled for 2021 after being postponed several months. There is no extraordinary business for 2022 and Board of Directors will remain the same. In order to keep everyone abreast of the past year, below is the President's Report, Office Manager Report, and Operations Manager Report. Enclosed is the Financials for 2021, Budget for 2022, and the Reserve Study for the next 10 years.

The Board of Directors are as follows: Redlands Mesa: Deborah Christner (President), Bryan Klaseen; Cedar Mesa: Bob Halley, Ken Besel; Surface Creek: Brad Stratman, Bill Elkins; Member at Large: Kacy Stillings (Vice President). Employees are: Dayton Myers (Operations Manager), Amber McPherson (Office Manager/Sec/Treas.), Tim Frey, Chuck Moore, and Kurt Jones.

President's Report

Dear Members,

After postponing the Annual meeting for months due to Covid we have decided to cancel the meeting. Covid has slowed down but many people are not comfortable being around a lot of people. For several years now we just barely make our annual meeting quorum, with group hesitancy we doubted that we would have a quorum. It is time for USCDWUA to change the Annual and Special meeting quorum requirements.

USCDWUA-Current requirements Section 3.

Quorum. One-fifth (20%) of the total membership of this Association present either in person or by proxy shall constitute a quorum for the transaction of business at any annual or special membership meeting. This means currently we would need 187 members at the meeting or represented by proxy.

We are proposing the following By-law Amendment addressing Quorums, this is modeled after DMEA.

USCDWUA-Proposed requirements Section 3.

Quorum. Fifty (50) members of USCDWUA with at least ten (10) in person and the remainder by proxy shall constitute a quorum for the transaction of business at any annual or special membership meeting. If such a USCDWUA quorum is not present, the members present with a simple majority vote may continue the meeting. If a simple majority vote fails, then the meeting shall be adjourned without further notice.

This Amendment will have to be discussed and voted on at our Annual meeting in December 2022 in order to change.

We have some large projects in the works for 2022.

- A main line on P25 road on Redlands Mesa, that continues to break, will be replaced. This project is being managed by Kurtis Jones under Dayton Myers's supervision. As a side note, Kurtis was hired in March of 2020, he now has his Class 2 Distribution license and Class D Operator license and is scheduled to get his Class C Operator license in a month or so and Class 3 Distribution in August.
- We are also investigating the purchase and rehabilitation of an abandoned reservoir on the Grand Mesa, this is a several year project with lots of parts, but well worth investigating.

I'm sure there is a concern with the draught and growth about our water supply and system. In 2021, which was a very dry year we were allotted approx. 170-acre feet of reservoir water. We leased about 24-acre feet and at the end of the season we had 75-acre feet left over from the 170. Everyone did a fabulous job of conserving water last year. Our plant was evaluated recently by an independent contractor and the state of Colorado Water Control Division, the plant was built very well. Thanks to Dayton's supervision and great staff both found our water plant to be running very efficiently with up-to-date systems. The plant is currently built out 50% and is not yet at full capacity. In the future, when the time comes to expand, we will be able to easily build out. We do want to make sure that our distribution is adequate, so we will be analyzing the 100+ miles of distribution pipe for correct size and age in 2022. This will tell us what areas are the most crucial to update and how much additional growth is possible.

As Dayton is getting closer to retirement, less than 2 years, and we operate under his Class A water license we are investigating several different options for the future.

I would like to thank all the members who did such a good job of conserving water last year, it really made a difference!

Deb Christner, President

USCDWUA Board of Directors

Operations Manager Report

2021 came and went with the leaks; USCDWUA had at least 17 leaks that were repaired. It seems that the leaks came at the most inconvenient time; holidays, weekends, evenings, nights, middle of the night, and early morning. It doesn't seem like any were discovered during normal working hours but for the sake of not exaggerating, I am sure one or two were discovered during the normal course of business. We got several small pipe projects completed along with the normal tap installs, reading meters, water line locates etc. We also did a lot of road patching along the system where we had to repair leaks etc.

At the water plant, we got new turbidimeters and chlorine flow controllers installed. The previous ones were old and had become outdated. The turbidimeters measure the turbidity and we must report this number 8 times a day to the state. The chlorine flow controllers will make the dosing more accurate. This will help in the overall efficiency of the plant.

Water usage during 2021 was 20% less overall. We have made a 5-year usage chart for everyone's information. (see pg. 4) A lot of leaks have been fixed in the last few years that have made a difference in usage but last year everyone really did a good job of conserving water. We really appreciate the cooperation.

We look forward to seeing you all again in December.

Dayton Myers

USCDWUA Operations Manager

Office Manager Report

The Times They Are a-Changin'... in more ways than one. The world we live in is different than it was 3 years ago. We are changing our office hours to M-F 11 am - 3pm. That is the time the office is open to the public. If you need to come in and the time doesn't work for you, call us. We are more than happy to set an appointment with you. A lot of people that used to come in with payments are now either mailing them or just dropping them in the box regardless of whether the office is open or closed. It just doesn't make sense to keep the office open 8-5 anymore.

As a reminder, we are more than happy to email your monthly bill to you. If you would like us to do that, please send a request to ambermcperson@uscdwua.com. The more we can email, the less postage we have to spend. Each bill mailed costs roughly \$.50 and that is with the permit prices. Without the permit, we would be looking at \$.60 per postcard. So please consider having your bill emailed and those that already subscribe to email bills, THANK YOU! We appreciate it!

While we are on the topics of bills, let's talk payments. There are several ways to make payments to USCDWUA if you do not want to mail a traditional check or mail order the first way is to use your online banking Pay Bill option. This is the option that doesn't cost USCDWUA or you anything. In the Pay Bill option, you need to fill out Your account number with USCDWUA, USCDWUA, PO Box 70, Cedaredge, CO 81413. Once you fill out that information, it will allow you to save it to your vendor list. Then you can either set it up for auto pay or you can go in every month and pay. As a side note, you will not find us in the automatic utility selection; you must manually fill out the information. The other option, which costs \$3 per \$100 is through our website at www.uscdwua.com or over the phone with a card. If you need further information, please feel free to contact me.

On our website www.uscdwua.com, we have an archive of all the minutes of USCDWUA and then we have the most recent minutes. These are there for everyone's information. If you would like to know what is going on, the minutes are a great way to keep abreast of what is happening.

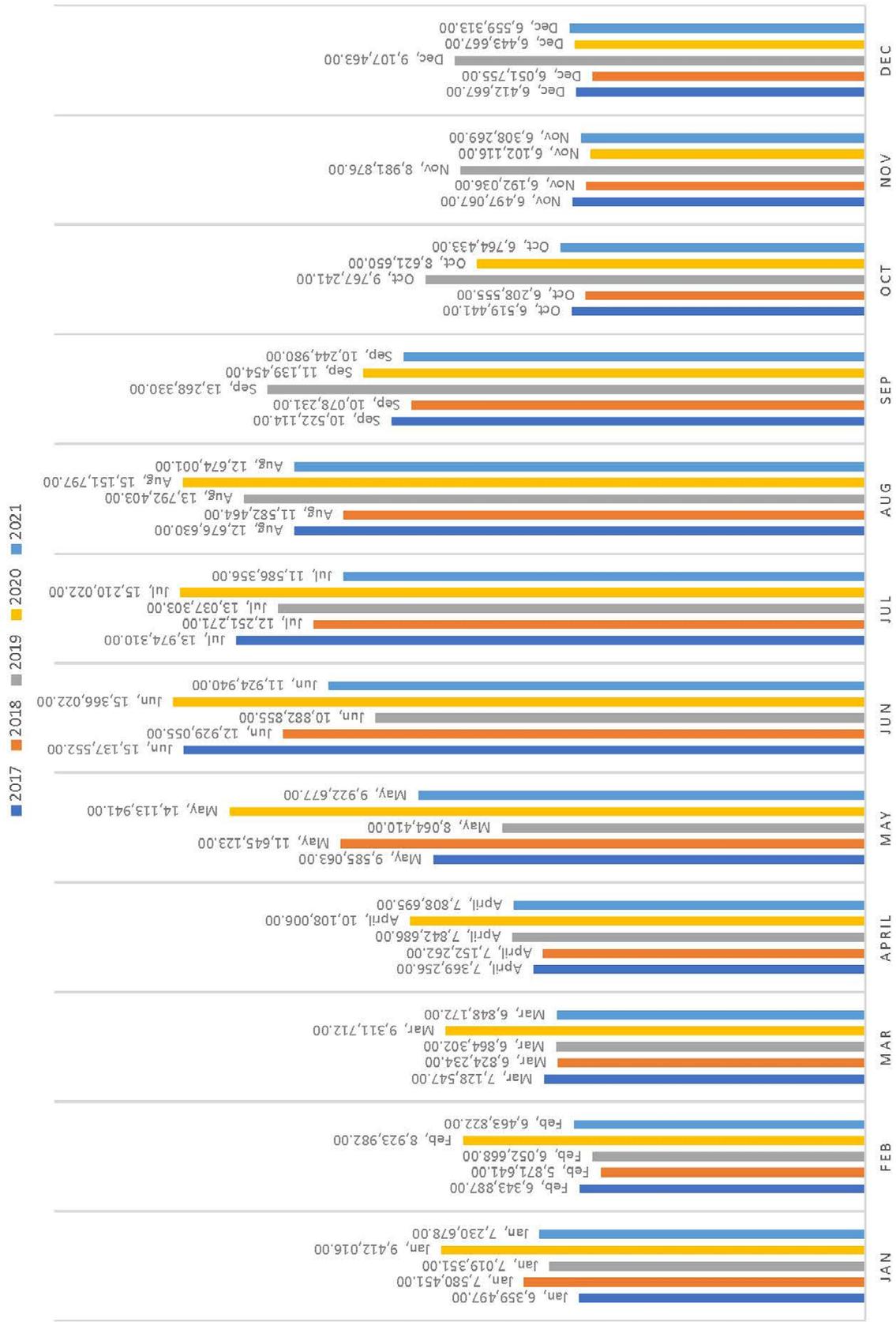
We have enclosed the financials for 2021 and the Budget for 2022. We sold 18 taps in 2021 and already March of 2022 we have sold eight taps. The taps sales funds the reserve budget so that will help with the cost of projects. We have also included the Reserve Budget which shows a ten-year plan on what we are foreseeing in the future. This is something that we re-evaluate every year to make sure we are taking care of what needs to be taken care of.

We hope that everyone is well and that 2022 will be the best yet.

Amber McPherson

USCDWUA Office Manager

USCDWUA 5 YEAR TREATED WATER GALLON COMPARISON



**USCDWUA
2022 BUDGET**

Income	2021 Annual Budget	2021 Actuals	2022 Annual Budget
Water and Penalties	\$ 620,000.00	\$ 686,606.08	\$ 650,711.88
Transfer Fee	2,500.00	3,200.00	3,000.00
Tap Fees	30,000.00	181,650.00	40,000.00
Installation Fee	5,000.00	24,000.00	10,500.00
Misc. Income		3,000.00	
Water Rental	-	-	
Acre Feet Water Reimbursement	6,000.00	26,000.00	9,200.00
Interest Earned	1,000.00	1,141.26	1,000.00
Total Income	\$ 664,500.00	\$ 925,597.34	\$ 714,411.88
Expense			
Bad Debts	\$ -	\$ 11,466.36	\$ -
Education & Certification	2,500.00	1,795.37	2,500.00
Insurance	16,000.00	17,780.00	18,000.00
Health Insurance	90,000.00	82,177.12	80,000.00
CWCB Loan Payment (Bal. 31,714.88 -Paid off 2025)	11,266.12	11,266.12	11,266.12
US Bank Loan Payment (Bal. 211,823.53 - Paid off 2026)	52,145.76	52,145.76	52,145.76
Legal & Professional Fees	3,000.00	2,298.50	15,000.00
Office	15,000.00	16,544.73	16,500.00
Office Utilities	8,500.00	8,288.50	8,500.00
Payroll Expenses	280,000.00	269,227.90	300,000.00
Distribution O & M			
Pipeline Maintenance	20,000.00	36,474.50	25,000.00
Materials for Meters	20,000.00	31,910.48	25,000.00
Equipment Maintenance	5,000.00	2,550.48	5,000.00
System Water Testing	3,500.00	4,917.37	5,000.00
License and Fees	1,000.00	555.00	1,000.00
Misc.	5,000.00	3,487.65	3,500.00
Spaulding Treatment Plant			
Maintenance	10,000.00	2,959.27	5,000.00
Utilities	20,000.00	16,191.71	16,500.00
Chemicals	25,000.00	22,655.73	25,000.00
Pond/Testing/Supplies	2,500.00	620.93	1,000.00
License and Fees	1,000.00	872.00	1,000.00
Vehicle Expense/Fuel	16,000.00	18,027.77	22,000.00
Water Assessments	10,000.00	9,840.00	10,500.00
Water Lease for 2021 Season		9,380.00	
Water Purchase			25,000.00
Total Expense	\$ 617,411.88	\$ 633,433.25	\$ 674,411.88
Transfer to Reserves	\$ 47,088.12	\$ 292,164.09	\$ 40,000.00
Total Expenses & Reserves	\$ 664,500.00	\$ 925,597.34	\$ 714,411.88
Net	\$ -	\$ -	\$ -
Beginning Cash	\$ 355,317.01	\$ 355,317.01	\$ 355,317.01
Ending Cash	\$ 355,317.01	\$ 355,317.01	\$ 355,317.01

USCDWUA 2022 RESERVE BUDGET

		2021 Annual Budget	2021 Actuals	2022 Annual Budget
Income				
	Transfer from Operating	<u>\$ 47,088.12</u>	<u>\$ 292,164.09</u>	<u>\$ 40,000.00</u>
	Total Income	<u>\$ 47,088.12</u>	<u>\$ 292,164.09</u>	<u>\$ 40,000.00</u>
Capital Expenses				
	Office Equipment			
	Vehicles	35,000.00	-	
	Water Purchase for USCDWUA		25,000.00	
	Reservoir Purchase			10,000.00
	Alternate Water Source			
	Office Building Doors/Windows	5,000.00	-	9,000.00
	Treatment Plant	50,000.00	26,892.92	30,000.00
	Telemetry			
	Contribution to GMWAU		10,000.00	10,000.00
	Fire Hydrant			10,000.00
	Distribution System	<u>100,000.00</u>	<u>56,054.87</u>	<u>280,000.00</u>
	Capital Expense Total	<u>\$ 190,000.00</u>	<u>\$ 117,947.79</u>	<u>\$ 349,000.00</u>
	Reserve Net	<u>\$ (142,911.88)</u>	<u>\$ 174,216.30</u>	<u>\$ (309,000.00)</u>
	Beginning Cash	<u>\$ 264,583.01</u>	<u>\$ 264,583.01</u>	<u>\$ 438,799.31</u>
	Ending Cash	<u>\$ 121,671.13</u>	<u>\$ 438,799.31</u>	<u>\$ 129,799.31</u>
Total Operating and Reserve				
	Beginning Cash	<u>\$ 619,900.02</u>	<u>\$ 619,900.02</u>	<u>\$ 794,116.32</u>
	Ending Cash	<u>\$ 476,988.14</u>	<u>\$ 794,116.32</u>	<u>\$ 485,116.32</u>

USCDWUA Reserve Budget/Study

Item	Est. Useful Life	Actual Life of	Est. Current Repl Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Alternate Water Source														
Reservoir Purchase					10,000.00									
Wells	Lifetime													
Water for USCDWUA	Lifetime			25,000.00										
Office														
Floors	15 Yrs	4 Yrs	3,000.00											
Office Equipment	5 Yrs	4 Yrs	3,000.00			3,500.00					3,914.32			
Security System	10 Yrs	2 Yrs	1,500.00									1,500.00		
Windows/Doors	25 Yrs		9,000.00											
Plant														
Filtration			150,000.00											
Plant Computers	10 Yrs	4 Yrs	7,300.00							9,524.85				
Plant Equipment (Turbidity/SCUs/Compressor)	20 Yrs	0 Yrs	50,000.00	26,892.92										
Replace Filter Modules	10 Yrs	18 Yrs	200,000.00		30,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Security System	10 Yrs	1 Yr	1,000.00									1,304.78		
Vehicles														
AWD SUV to replace 2008 Chevy Colorado	10 Yrs	2 Yrs	30,000.00									30,000.00		
Chevy Colorado 2017	10 Yrs	4 Yrs	40,000.00						40,000.00					
Chevy Silverado 2014	10 Yrs	8 Yrs	40,000.00								40,000.00			
Ford 2001	10 Yrs	20 Yrs	44,000.00				44,000.00							
Backhoe	10 Yrs	1 Yr	45,000.00									60,476.24		
Telemetry														
Contribution to GUMMAU			10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Updating Current Technology	10 Yrs	1 Yr	15,000.00											
Water System Lines														
15540 Peach Ln to Badding Galv Replace	40 Yrs	60 Yrs	100,000.00						75,000.00					
2550 Rd Line Replace	40 Yrs	60 Yrs	120,000.00	56,054.87	15,000.00									
2600 Rd Line Replace	40 Yrs	60 Yrs	150,000.00			75,000.00								
Cactus Park Rd Line Replace	40 Yrs	60 Yrs	90,000.00			45,000.00								
Cedar Mesa Rd to 2525 RD	100,000.00		100,000.00			50,000.00								
Dry Creek/Rim Rock Rd connection	40 Yrs	60 Yrs	150,000.00						30,000.00				30,000.00	35,000.00
Indian Camp to Surface Creek 4" Steel Replace	40 Yrs	60 Yrs	125,000.00											
Panaroma to 2550 Rd 4" Steel Replace	40 Yrs	41 Yrs	50,000.00											
Redlands Mesa Line Replace	40 Yrs	60 Yrs	60,000.00		265,000.00	75,000.00								
Surface Creek Rd Galv Line Replace	30 Yrs	32 Yrs	125,000.00		100,000.00	100,000.00		5,000.00						
Fire Hydrants 2 per year				10,000.00		10,000.00								
Totals				\$ 117,947.79	\$ 349,000.00	\$ 208,500.00	\$ 150,000.00	\$ 150,000.00	\$ 169,000.00	\$ 174,524.85	\$ 99,914.32	\$ 143,281.02	\$ 50,000.00	\$ 55,000.00
Funding														
Tap Sales				\$ 181,650.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Excess				110,514.09										
Total Funding				\$ 292,164.09	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Reserve Beginning Balance				\$ 264,583.01	\$ 438,799.31	\$ 129,799.31	\$ (38,700.69)	\$ (148,700.69)	\$ (258,700.69)	\$ (387,700.69)	\$ (522,225.54)	\$ (576,139.86)	\$ (679,420.88)	\$ (689,420.88)
Ending Reserve Balance				\$ 438,799.31	\$ 129,799.31	\$ (38,700.69)	\$ (148,700.69)	\$ (258,700.69)	\$ (387,700.69)	\$ (522,225.54)	\$ (576,139.86)	\$ (679,420.88)	\$ (689,420.88)	\$ (704,420.88)



Upper Surface Creek Domestic
Water Users Association
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