



Annual Board of Directors Meeting

Date: August 24th, 2026

Location: Durango Public Library Room 1 & Via Zoom 811 8392 2669

Attendees: John Bernazzani (Board), Mary Alice Rios (Board), Kyle Montgomery (Board), Judy Wachob (Board), Terra Bumpers (Board), Mark Fuson (Water Operator), Jamie Matthews (CPA/Bookkeeper), Debbie Smith (Bookkeeper) and the following members of the neighborhood: David Broman (31 Lupine), Kathy & Doyle Villers (375 Northeast Cir), Jim Scholan & partner (151 Mapel Ln), John Kassay (54 Sortais), Jeff & Brenda Nelson (633 Sortais), Joe Bob McGuire (35 Dorsett Ln), Cappy White & partner (280 CR 248)

Call to Order: 6:00PM

Agenda:

1. (John) Call to Order: 6:00PM
2. (John) Introductions:
 - John Bernazzani – President 5 years, VP 4 years, Board Member 3 years
 - Mary Alice Rios - VP 1 year
 - Terra Bumpers – Treasurer 8 years, Board Member 2 years
 - Kyle Montgomery – Secretary 1 month
 - Judy Wachob – Board Member 1 year, Vice President 4 years
 - Jamie Matthews and/or Debbie Smith - Bookkeeping & Accounting – 4 years
 - Mark Fuson – Water Operator - 10 years
3. (Jamie & Debbie) Financial Review:
 - Statement of Financial Position
 - Statement of Activities
 - Current Fee Structure
 - Capital Account Reconciliation
 - Annual Budget Review & Comparison

Debbie presented the Statement of Activities and Statement of Financial Position and discussed variances over prior year. Of note is that Accounts Receivable is down since the implementation of gWorks and the administrator time is also down with the conclusion of the one-time audit and gWorks reducing checks, deposits and mail checking. Additionally, the net income is inflated due to the timing of filter purchases. A capital account reconciliation was provided. The budget was presented with notes and/or questions most notably about Phase II of the Water Treatment

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Plant, exclusion of a potential large AMI meter replacement project (discussed later in the meeting), website fees (multi-year), QuickBooks online transition, decrease in audit fees, keeping filters in the budget, and a potential increase of \$2 to recreation fees to cover increasing costs of typical annual activities. The audience segued into a lively discussion about the proposed increases to recreation fees. Annual fees for community property typically includes fish stocking, weed spraying, lawn maintenance at typically 3-6 cuts per year, porta-potty and issuing passes every three years. The group debated whether everyone should be required to pay and whether charging rental properties more was desired. Significant discussion centered on water quality issues in the community pond, with residents expressing concerns about algae growth and water quality deterioration, leading to conversations about potential improvements including aeration systems and further removal of willow trees. Generally, those in attendance were in favor of raising the fee to \$10 a month to rehabilitate the recreation area & future-proof it, but with the only major point of agreement being water quality. Some are in favor of more beautification and usability, and others prefer a more natural state and not to attract more trespassers, which is an ever-increasing concern.

4. (John & Mark) Accomplishments & Water System Review:

Upcoming & Recently Completed Capital & Operational Projects

- a. Annual cleaning of drainage ditch
- b. Every 5 years valve exercising
- c. Water Treatment Plant Phase 1 completed this year, with Phase II upcoming
- d. Summary of Year in numbers (usage, etc.)
- e. Possible upgrades to meters/system for continuous monitoring - talk about tech and cost

Unusual Events & Leaks Summary

- f. Had two situations with blockages causing water pressure issues
- g. Had three large leaks this year, all on the homeowner side of the meter

With the remaining time, Mark & John covered potential upgrades to water meters, with Mark explaining that new AMI meters could provide better leak detection and monitoring capabilities, though the board noted these would require further discussion and possibly a resident vote. All of the leaks we had this year were on the homeowner side of the meter and therefore did not impact the Water Company directly, but AMI meters could provide the ability for the Water Company to provide timely information to homeowners and help reduce wasted water and keep us below the required 80% usage threshold in our water tanks during summer months. Some discussion was held about changing the rate structure to further impede high usage users as we no longer require that summer income to run the business. Mark talked about the valve exercising and how it caused some materials to release and block two meter sites and about how

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some of the values that should have been turned on by the contractors in 2020 were in an off position. That situation has been rectified. We briefly touched on how tap fees are part of equity and there were some opinions on ready-to-serve users needing to pay into the recreation fees as well.

5. (Terra) Other Discussion:

- a. gWorks Billing System
- b. Insurance Update
- c. Multi-year audit & management reporting update
- d. Reminder to use and display our Pond Passes for 2025-2027 (Blue) - additional/replacement \$20 each.
- e. Budget includes a rec fee increase from \$5 to \$7 per month, discuss if not discussed in budget review

Discussion during the financial statement review covered most of these topics. The gWorks system has a nearly 90% usage rate, with many paying automatically and with the absorption of the ACH fees by water company being worth the tradeoff in administrator time. Insurance was not addressed in detail during the meeting, but we were finally able to secure property insurance despite the fire map. We discussed that the audit was a one-time event that should have been part of the initial 2020 project, but going forward it is only annual reporting. No further discussion about pond passes or recreation fee budget; agreed to leave at \$5 until vote and agreement could be reached.

6. (John) Adjourn: 7:43PM

Action Items:

Terra - Check the water regulations regarding the voluntary nature of the REC fee and the possibility of requiring payment from all lot owners and whether there is any legal risk as it has always been a voluntary fee.

Debbie - Adjust the proposed budget for fiscal year 27 to reflect the REC fee remaining at \$5 (not \$7). Water quality projects will require a budget adjustment mid-year if they are undertaken.

Mark & John - Obtain proposals from vendors (e.g., DEAL, Neptune) for the AMI meter system upgrade and present a side-by-side comparison for decision-making.

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Board - Explore options for improving pond water quality, including consulting with experts or academic institutions

Mark - Investigate the feasibility of instituting water usage restrictions (e.g., odd/even days) during high demand periods to prevent the water treatment plant from exceeding 80%

Board - Revisit the idea of conducting a poll or vote of the community to decide on specific improvements for the pond area using potential increased REC fee funds. If we do this poll, we should include the AMI in the same letter if possible.

Board - Monitor and address the issue of high water usage by certain residents, potentially through increased tiered rates or other strategies.

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