

Blue Sky Heights Water Users' Association

Annual Meeting

March 3, 2016

Vice President Ty Walker called the meeting to order at 7 PM. A quorum was determined using the sign-in sheet.

Secretary Marsha Breen asked for questions or corrections to the 2015 Annual Meeting minutes. They have been on the web site and there were some copies provided at this meeting. The minutes were approved by a voice vote.

Treasurer Joan Anderson provided a copy and reviewed the 2015 financial report. Paid employees are Stan Becker and Leata English, system operators with wages of \$425/ month each. Joan Anderson is paid \$125/per month. She noted that the difference in fees from 2014 to 2015 was due to the lower rate in effect for 2015 and the timing of when homeowners pay their bills. Jim Richerson questioned the labor cost breakdown. Joan said she would be happy to provide that to him. Jim will call her.

Stan Becker and Leata English presented the operators report. In mid-June, Stan noted that the storage tanks were maintaining 50% capacity. On July 2, he inspected each pump and found the #2 pump not operating. H/L Drilling was called and on July 23rd, it was removed from the well case and a continuity test was performed. The test failed. Since the pump had been in operation since 1991 a new pump was purchased and installed on September 3rd. The cost of the new pump and motor was \$6500. On July 9th, Stan repaired electrical wires for a low level alarm at the upper pump house. On September 6th, Stan dug up a shut off valve at 38 Greenwood Trail (Justads). They have had low pressure for several years. The shut off valve was damaged by a contractor and was partially closed due to damage to the stand pipe. The damaged section was cut out and replaced. A pressure test was performed with the pumps on and off to show the Justads that their psi had increased and was consistent with their neighbors. They were happy that this was finally investigated and fixed. On October 20, the pump and motor in pump house #2 failed. The #1 pump and motor had failed a week earlier. A new pump and motor was installed on October 20 at a cost of \$2700. Pump # 1 was repaired for \$1260 and was installed Jan 24, 2016. Pump #3 has also been sent in for repair. We now have back-up pumps that will allow for much quicker restoration in the event of a pump failure. On December 17 an earthquake occurred in the Clancy area. An inspection of the area and pump houses was made but no damage or leaks were detected. Then on February 3, another earthquake hit the area. Water was bubbling above ground behind the mailbox kiosk. Stan called in a contractor to dig up the area and three leaks and a

badly damaged shut off valve were found. Repairs were made using parts from our inventory. Both tanks were chlorinated per DEQ requirements. Ty wanted to thank all of the homeowners for their understanding during the outage. Future maintenance will be to repair or replace the flow meter and provide jersey rails for protection of the upper pump house. Jefferson County has agreed to provide these rails to BSHWUA. Stan will also be inspecting all of the valves so areas can be isolated if there is a break.

Chuck Mazurek asked if the operators have been keeping logs of work they have done. Leata and Stan said they have been keeping records of work performed. Stan has also been putting an operations book together that includes maps and pictures of valve locations along with directions in the event of a break or maintenance issue. All board members will have a copy of this book.

Jim Richerson questioned whether having our own operators is cost effective. He also asked whether Stan guarantees his work. Chuck Mazurek made the point that Stan is an employee. Jim feels having an outside operator like Integrated Water would be cheaper. Ty said he provided an estimate from Integrated Water at a previous meeting and if Jim sends him an email, Ty will be happy to respond to any questions he has.

Brent Leffler said he feels Stan and Leata are doing a very good job dealing with a 40 year old system.

Leata said she is a little behind on replacing of RO filters but expects to be caught up in the next month. Jim Richerson asked if the operators are being paid \$50/hour to change filters. Changing of filters is part of the job and is included in the monthly pay. The \$50/hour charge is only for major repairs.

Leata and Stan have been doing chlorination of tanks due to bacteria in the sample. The tests are now coming back good. Both tanks will be professionally cleaned and inspected this spring. Mastik will be placed on top of the concrete and the lids will be repaired as needed. We are now off the quarterly uranium tests and they will only be required once every three years. They will be sampling 33 homes per year to meet this requirement. All three wells operating well and all sampling is being done as required by DEQ. The board wants to thank the water users for adhering to the watering schedule during the summer months

Ty spoke about the website, email address and contact information. Whenever there is anything that needs to be disseminated to the membership (i.e. breaks, etc) Ty puts it on the website and asks that you check there first. If you don't find anything there feel free to contact any of the board members or the operators. Their contact information is on the website. If you don't have access to email or the internet please contact Ty and he will make sure you are notified

Email: bshwua@bshwua-mt.info

Website: <http://www.bshwua-mt.info>

Election of officers – Stan resigned as President of BSHWUA on April 1, 2015. Ty assumed the duties of President until we could have elections at this meeting. Jim Richerson asked why this position wasn't advertised and suggested the members should meet more often like once a month. Ty asked if Jim wanted to take a vote on a monthly meeting. Based on the negative response by members, Jim said a vote was not necessary. Ty said if Jim has any issues he would like to address at a general membership meeting, to email his concerns to Ty.

The officers up for election are President, Vice President and Secretary.

Nominations for President : Ty Walker. There were no other nominations. Vote was called and there was one no vote.

Nominations for Vice President: Marsha Breen. No other nominations. Unanimously approved.

Nominations for Secretary: Lora Grabill. No other nominations. Unanimously approved.

Ty discussed the pending lawsuit between BSHWUA and Al Arnold. Our attorney in this litigation has provided the following information:

1. Suit is entitled Arnold V. Blue Sky Heights, Cause No. DV-2015-99 pending in the 5th Judicial District Court, Jefferson County. Judge Loren Tucker is assigned to the case.
2. Arnolds are represented by Morrison, Sherwood, Wilson and Deola of Helena. Assigned counsel is named: Robert Ferris-Olson
3. Blue Sky's insurer has hired Gary L. Walton of Butte to represent Blue Sky. Blue Sky is Mr. Walton's client. His fees, however, are paid by the insurer.
4. The complaint seeks the transfer of Blue Sky property based on paperwork allegedly signed by Blue Sky's former president. Blue Sky has challenged his authority to enter into any agreement with Arnold. The parties are engaged in a process known as discovery. A scheduling conference has been held and the trial will not be held until sometime after April 1, 2017.

Chuck Mazurek asked who the president and operator were at the time of the alleged agreement. Ty said Marvin Floyd was the president and Will Mavis was the operator.

A proposal was made by Frank Sherlock to start compensating Ty Walker for website maintenance. A motion was made to pay Ty \$225/month for this work. The motion was seconded and a voice vote was taken with one no vote. The proposal was approved.

The current pay for the Treasurer is \$125/month. It is the most time consuming job on the board. A motion was made to increase this to \$225/month. It was seconded and unanimously approved.

One of our newer residents, Brendan Riley asked if there was a new home owner package provided. Joan has been sending information with the first bill but she will look into sending a separate mailing to new homeowners/renters.

A brief discussion was held on water rates. The members agreed to leave the water rates at \$150 per quarter and review them again next year.

If you have any questions or comments regarding these minutes please contact me at mcbreen48@gmail.com.

Respectfully submitted,

Marsha Breen Secretary