

Clear Creek Pines Unit Two Water Well Users Association, Inc.

2022 Annual Members Meeting Minutes

September 3, 2022 | 10:00 am

The Annual Members Meeting for Clear Creek Pines Unit Two Water Well Users Association, Inc. was held on Saturday, September 3rd, 2022 at 215 Long Valley Road, Happy Jack, Arizona 86024 (Lot #33, Clear Creek Pines Unit Two). A quorum was established with 20 members present along with 16 members by proxy. Joe Miller, President of the Corporation presided as the meeting chairman and Jennifer Haggard, Secretary of the Corporation recorded the meeting minutes.

An introduction of new members was offered by Joe Miller, President.

The 2021 Annual Meeting Minutes were presented by Jim Curcio, Director, and were unanimously approved.

The 2021 Financial Report (Statement of Financial Position, Statement of Activities, and Fixed Assets) was reviewed by Jo Reed-Fuson, Treasurer of the Corporation, and were unanimously approved.

The summary of the annual revenue and expenses for years 2012 through 2022 year-to-date was presented by Jo Reed-Fuson. This annual financial comparison report provides a compact summary of the operating and maintenance history of the water system.

The summary of the maintenance and system operating status was presented by Scott Unglaub, Operations & Maintenance Officer, who provided an overview of accomplishments, planned and completed projects and maintenance concerns over the last year. Scott reported that a 2" valve was replaced at the well site due to a break caused by a hard freeze and a repair to the mainline was made at Lot 25. Lack of road material and inordinate grading continues to put the system at risk. A marker will be placed on an exposed main line at Lot 52.

Randy Garrison, Water Quality Liaison, summarized that the water system complies with ADEQ standards for operation and water testing. Randy also advised the Members of a notification from ADEQ regarding a failed water sample taken in August 2022. As a result of the failure, a thorough re-test was conducted of the entire system including the original testing location which came back with no contamination or deficiencies. The cause of the failed test was determined to be a result of a bad test sample.

John Popp provided the members with a recap of Board activities which included a legal review of the Association's Bylaws. John advised the Members three issues were uncovered during the review:

- 1) Members will receive a 10-day notification prior to any action taken by the Board related to the Association's Bylaws.
- 2) The Secretary must be in possession of all Proxy Forms prior to the Annual Members Meeting.
- 3) Members of the Association will be referred to as 'Members' not 'Shareholders'.

John advised the Members that \$4450 in past due assessment payments were received in 2022 and two members are delinquent on their 2021-2022 water assessments. After receiving a member inquiry, it was confirmed that the Board can take action to discontinue water service for members in a non-payment status based on the Association's Bylaws. Maintenance to the well site has continued in 2022 with additional painting and gate repairs. Proactively, the Association invested in a Hydrostatic Level Measurement Transmitter which will electronically monitor the well levels daily (rather than annually by the Association through well level sounding or every 10 years by ADEQ). The system will add to the current electronic monitoring of pressure and tank levels and will provide much needed reports on the health of the well. The cost of the transmitter was \$2,787.66.

The Board of Directors recommended an annual assessment of \$250 per lot for the September 2022 through August 2023 period. The assessment will cover the system's normal annual operating expenses for the period noted above. The current bank balance is \$30,680.25. A reserve fund of \$30,000 is

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earmarked for unplanned maintenance and repairs. The water assessment of \$250 per member lot was unanimously approved by the Members.

Members were advised that the Board is seeking commercial quotes to paint Tank B (matching the color of Tank A).

A Member asked the Board to look into backup power for the well as there are concerns with the electric grid. The Board agreed to look into pricing for backup generators.

A discussion took place regarding a Notice of Publication from the Arizona Department of Water Resources concerning the Verde River Watershed. Randy Garrison explained the adjudication is a judicial proceeding to determine the extent and priority of water rights in certain river systems in Arizona. In this case, the Court will determine the water rights of the people living or using water within the Verde River watershed. Because the community well's Aquifer feeds the Verde River Watershed, members received the notification directly from ADWR. The outcome of the adjudication is unknown as court proceedings continue and will require a ruling from the Judge. No action is necessary on our part at this time.

The Board announced that resignations of Board members, Robert Haggard and Rick Johnson.

It was motioned and approved to retain the current board of directors:

- David Burrows • Jim Curcio • Randy Garrison • Jennifer Haggard • Joe Miller • John Popp
- Jo Reed-Fuson • Rocky Taylor • Scott Unglaub

Upon nominations duly made and seconded, the following were qualified and elected to Board of Directors by the Members of Clear Creek Pines Unit Two Water Well Users Association (filling two vacancies):

- Jeff Clement • Steve Smith

The meeting was adjourned at 10:49 am.

Respectfully submitted,



Jennifer Haggard, Secretary