# Beverly Hills Mutual Water Company

614 North Tejon Street
Colorado Springs, CO 80903

## Annual Shareholders Meeting
## Monday, March 8, 2021

Zoom Link:
https://us02web.zoom.us/j/77778562490?pwd=bk1VekRVNUFoQ29ab2hob0d3NGV4Zz09

# Zoom Meeting Details

- Gene Crandall is inviting you to a scheduled Zoom meeting.
- 
- Topic: Beverly Hills Mutual Water Annual Meeting
- Time: Mar 8, 2021 07:00 PM Mountain Time (US and Canada)
- 
- Join Zoom Meeting
- https://us02web.zoom.us/j/77778562490?pwd=bk1VekRVNUFoQ29ab2hob0d3NGV4Zz09
- 
- Meeting ID: 777 7856 2490
- Passcode: 606468
- One tap mobile
- +13462487799,,77778562490#,,,,*606468# US (Houston)
- +16699009128,,77778562490#,,,,*606468# US (San Jose)
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- Dial by your location
- +1 346 248 7799 US (Houston)
- +1 669 900 9128 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 312 626 6799 US (Chicago)
- +1 646 558 8656 US (New York)
- +1 301 715 8592 US (Washington DC)

- Meeting ID: 777 7856 2490

- Passcode: 606468

- Find your local number: https://us02web.zoom.us/u/kdz6WtaiCg
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# Agenda

- Board introductions
- The basics – Beverly Hills Mutual Water Company 101
- Financials
- Significant activities this past year
- New business
- What lies ahead
- Election of one director
- Questions & Answers

# Board of Directors (Term Ends)

**Gene Crandall, President (2023)**
**7830 Coventry Drive**
**gmcrandall@aol.com**

**Paul Harrison (2021)**
**7660 Saxeborough Drive**
**paulharrison688@msn.com**

**Mark McNary, Treasurer (2022)**
**7914 Saxeborough Drive**
**markmcnary5@gmail.com**

**Mark Kennedy, Vice President (2024)**
**7903 Coventry Drive**
**cr4mark@q.com**

**Orlando Zapata, Secretary (2025)**
**559 3rd Avenue**
**ojzapata@gmail.com**

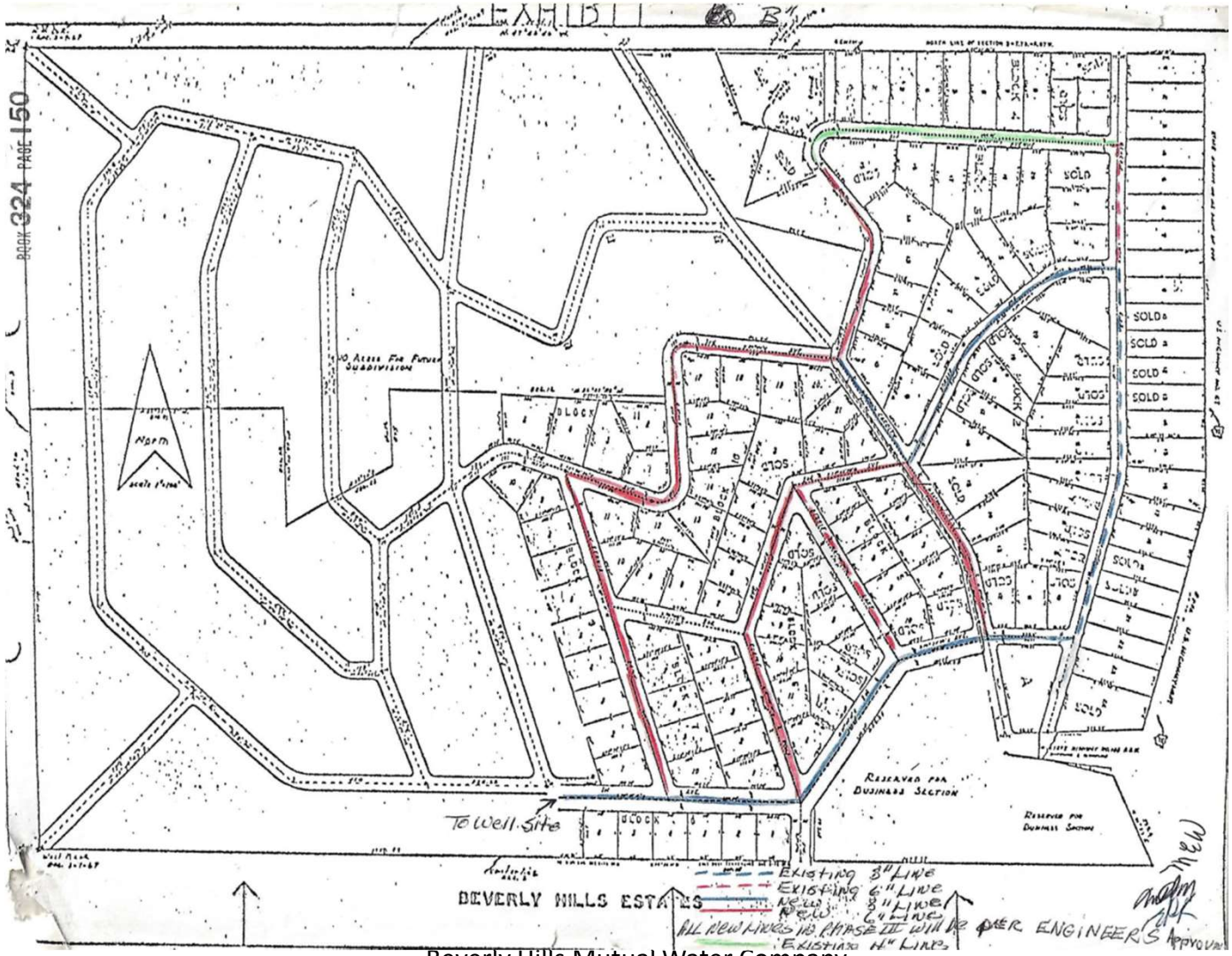
# Beverly Hills Mutual Water Company 101

- BHMWC is a private, 501c (12) non-profit company; each homeowner owns an equal share in the company
- It was founded by the developer of Beverly Hills Estates in 1957 to serve what was then a remotely located community

- We have no employees
- We are run by a volunteer board made up of community members
- Facilities operated by contractor – Colorado Water Well
- Billing handled by Walker Schooler District Managers

- 118 residential customers
- 1 non-residential customer (Fire House)

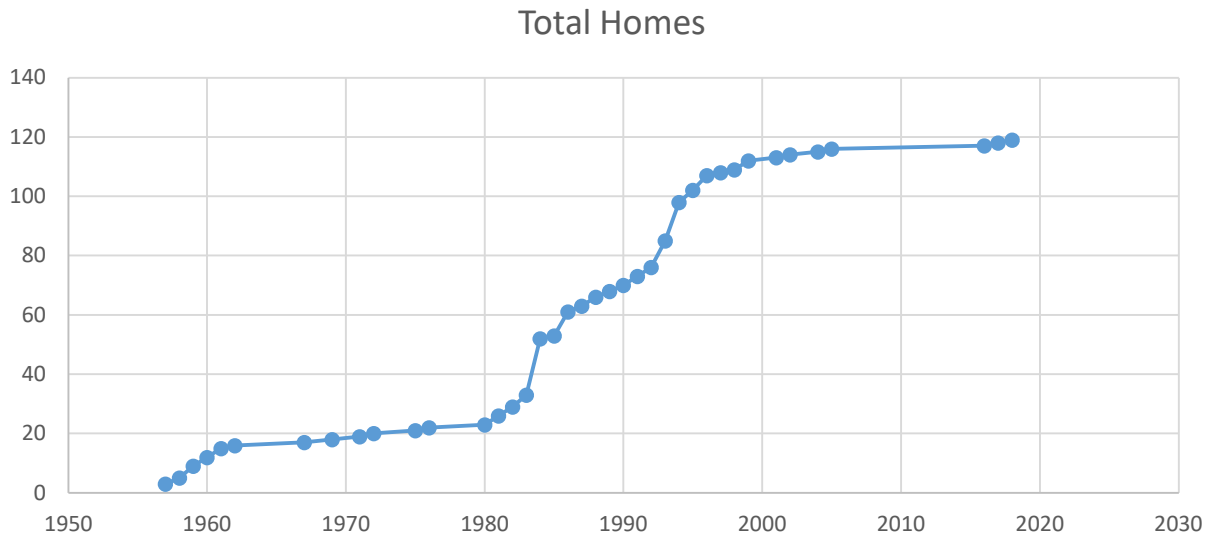
# Historical Plan for Beverly Hills



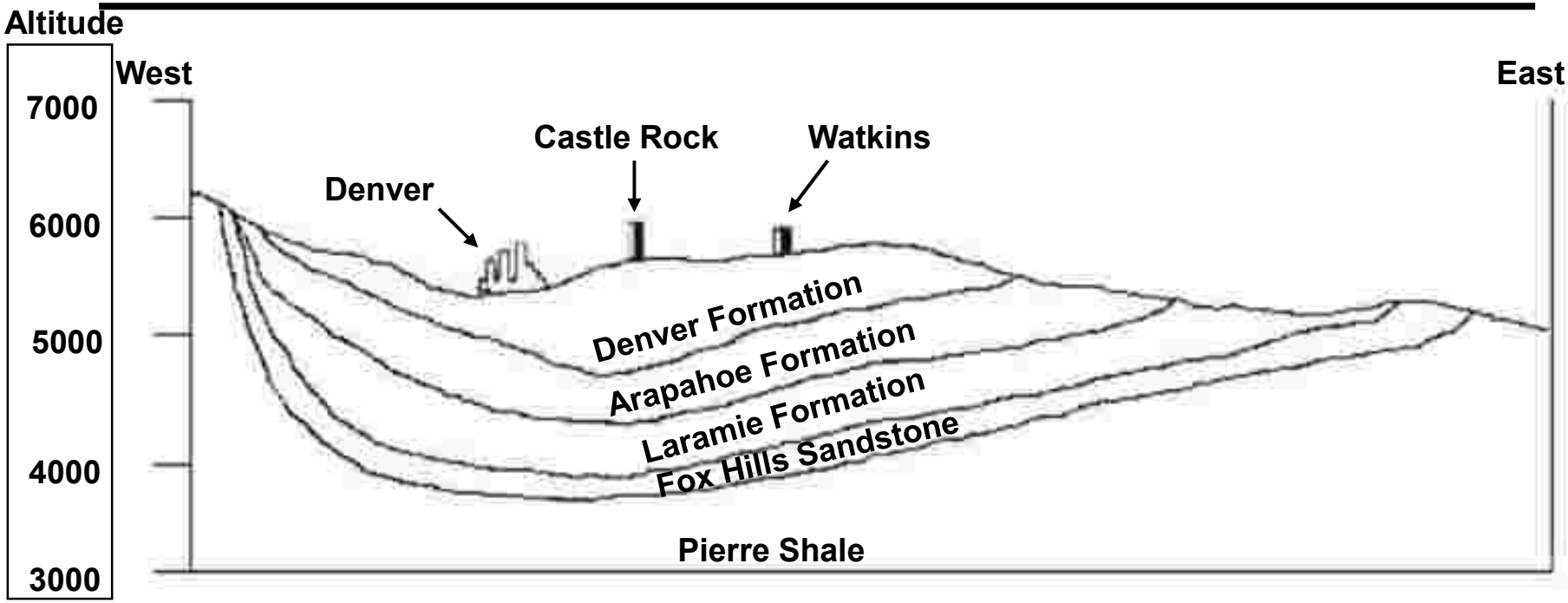
# Historical Growth of the BHMWC

| Year | Total Homes | Annual Homes | 1st | 2nd | 3rd | Beverly | Carolyn | Castle Pines Parkway | Charter Oaks Drive | Coventry | Debbie | Saxeborough | Suffolk |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1957 | 3 | 3 | | | | 3 | | | | | | | |
| 1958 | 5 | 2 | | 1 | | 1 | | | | | | | |
| 1959 | 9 | 4 | | | | 4 | | | | | | | |
| 1960 | 12 | 3 | | | | 1 | 2 | | | | | | |
| 1961 | 15 | 3 | | | 1 | 1 | | | | | 1 | | |
| 1962 | 16 | 1 | | | 1 | | | | | | | | |
| 1967 | 17 | 1 | | | | | | | | | 1 | | |
| 1969 | 18 | 1 | | 1 | | | | | | | | | |
| 1971 | 19 | 1 | | 1 | | | | | | | | | |
| 1972 | 20 | 1 | | | | 1 | | | | | | | |
| 1975 | 21 | 1 | | 1 | | | | | | | | | |
| 1976 | 22 | 1 | | | 1 | | | | | | | | |
| 1980 | 23 | 1 | | | | | | | | | 1 | | |
| 1981 | 26 | 3 | | | | | | | | 2 | | | 1 |
| 1982 | 29 | 3 | | 1 | | 1 | | | | 1 | | | |
| 1983 | 33 | 4 | | 2 | 1 | | | | | | | 1 | |
| 1984 | 52 | 19 | | 1 | 4 | 1 | 4 | | | 6 | | 1 | 2 |
| 1985 | 53 | 1 | | | | | | | | 1 | | | |
| 1986 | 61 | 8 | | 1 | 1 | 1 | | 1 | | 1 | 1 | 2 | |
| 1987 | 63 | 2 | | 1 | | | 1 | | | | | | |
| 1988 | 66 | 3 | | | 1 | 1 | 1 | | | | | | |
| 1989 | 68 | 2 | | | | | | | | 2 | | | |
| 1990 | 70 | 2 | | | | | | | 1 | 1 | | | |
| 1991 | 73 | 3 | | 1 | | | | | | 1 | | 1 | |
| 1992 | 76 | 3 | | 2 | | | | | | | | 1 | |
| 1993 | 85 | 9 | 1 | | | | 1 | | | | 1 | 4 | 2 |
| 1994 | 98 | 13 | | 2 | 1 | 2 | 3 | | 1 | | 1 | 2 | 1 |
| 1995 | 102 | 4 | | 1 | 1 | | | | | | | 2 | |
| 1996 | 107 | 5 | | 1 | | 2 | | | | | | 1 | 1 |
| 1997 | 108 | 1 | | 1 | | | | | | | | | |
| 1998 | 109 | 1 | | | | 1 | | | | | | | |
| 1999 | 112 | 3 | | | | 2 | | | | | | | 1 |
| 2001 | 113 | 1 | | | | | | | | | 1 | | |
| 2002 | 114 | 1 | | | | 1 | | | | | | | |
| 2004 | 115 | 1 | | | | | | | | | | | 1 |
| 2005 | 116 | 1 | | | | 1 | | | | | | | |
| 2016 | 117 | 1 | | | | | 1 | | | | | | |
| 2017 | 118 | 1 | | | | 1 | | | | | | | |
| 2018 | 119 | 1 | 1 | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Totals = | | | 2 | 18 | 12 | 25 | 13 | 1 | 2 | 15 | 7 | 15 | 9 |
| | | | 119 | | | | | | | | | | |

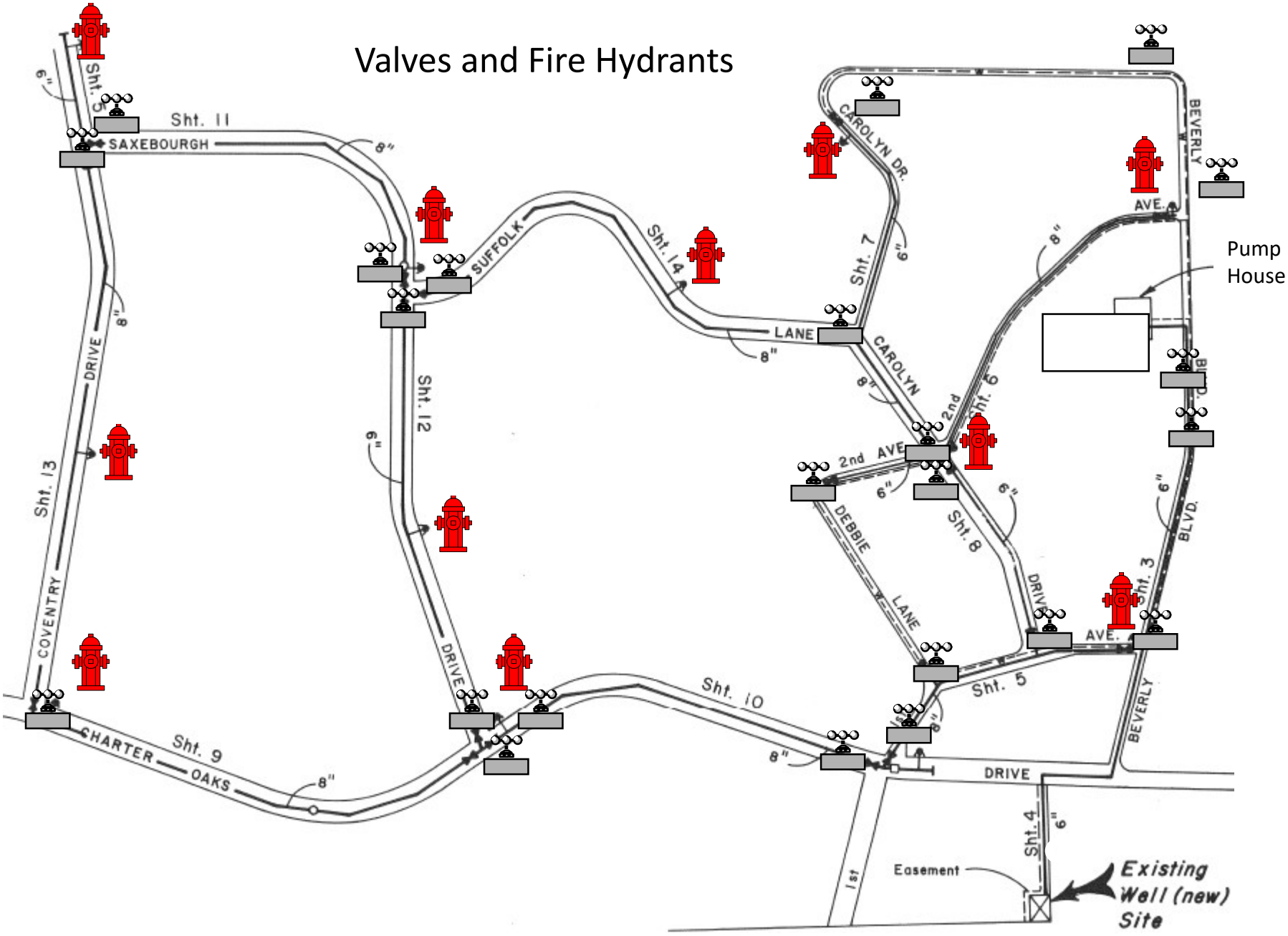
# Home Construction Growth Curve



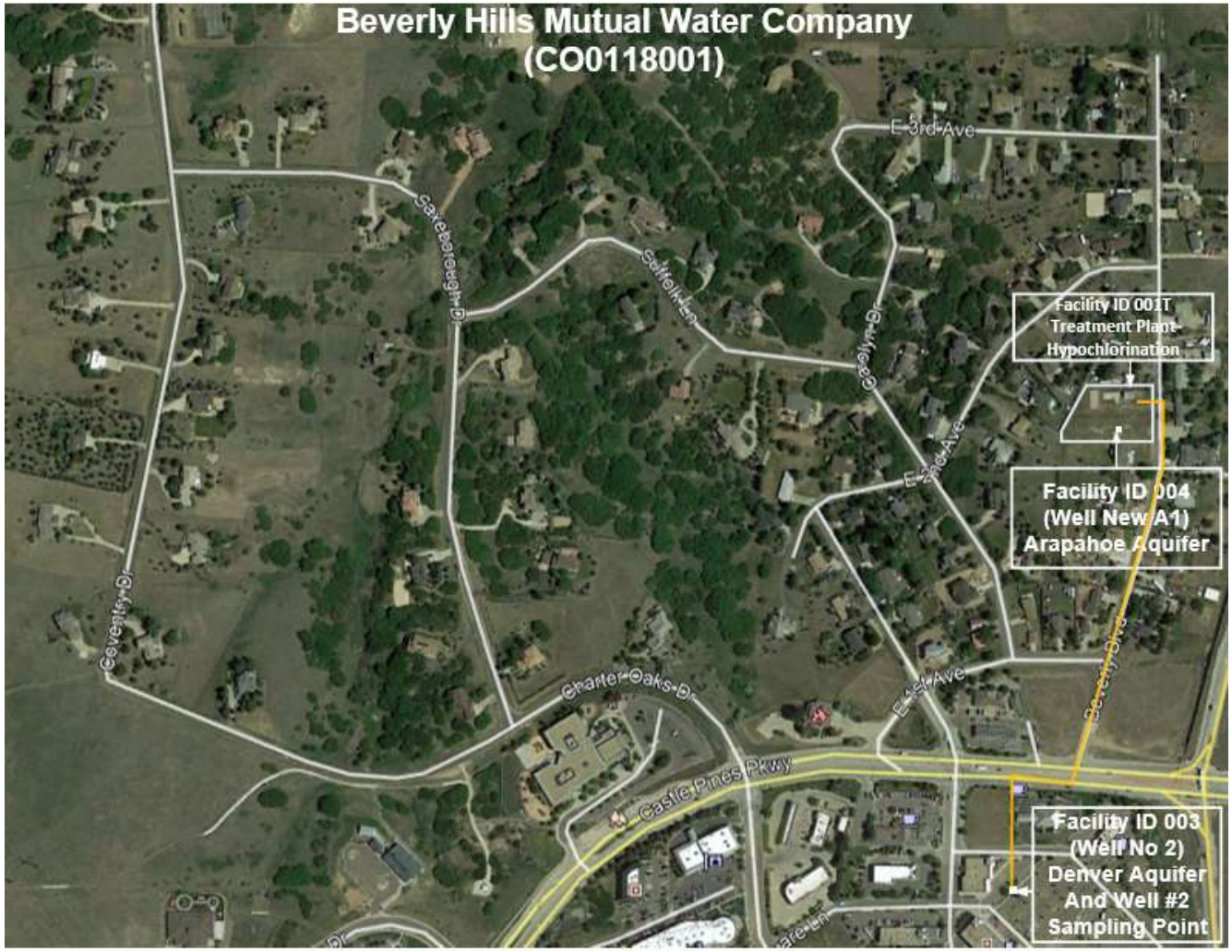
# Denver Basin



# Valves and Fire Hydrants

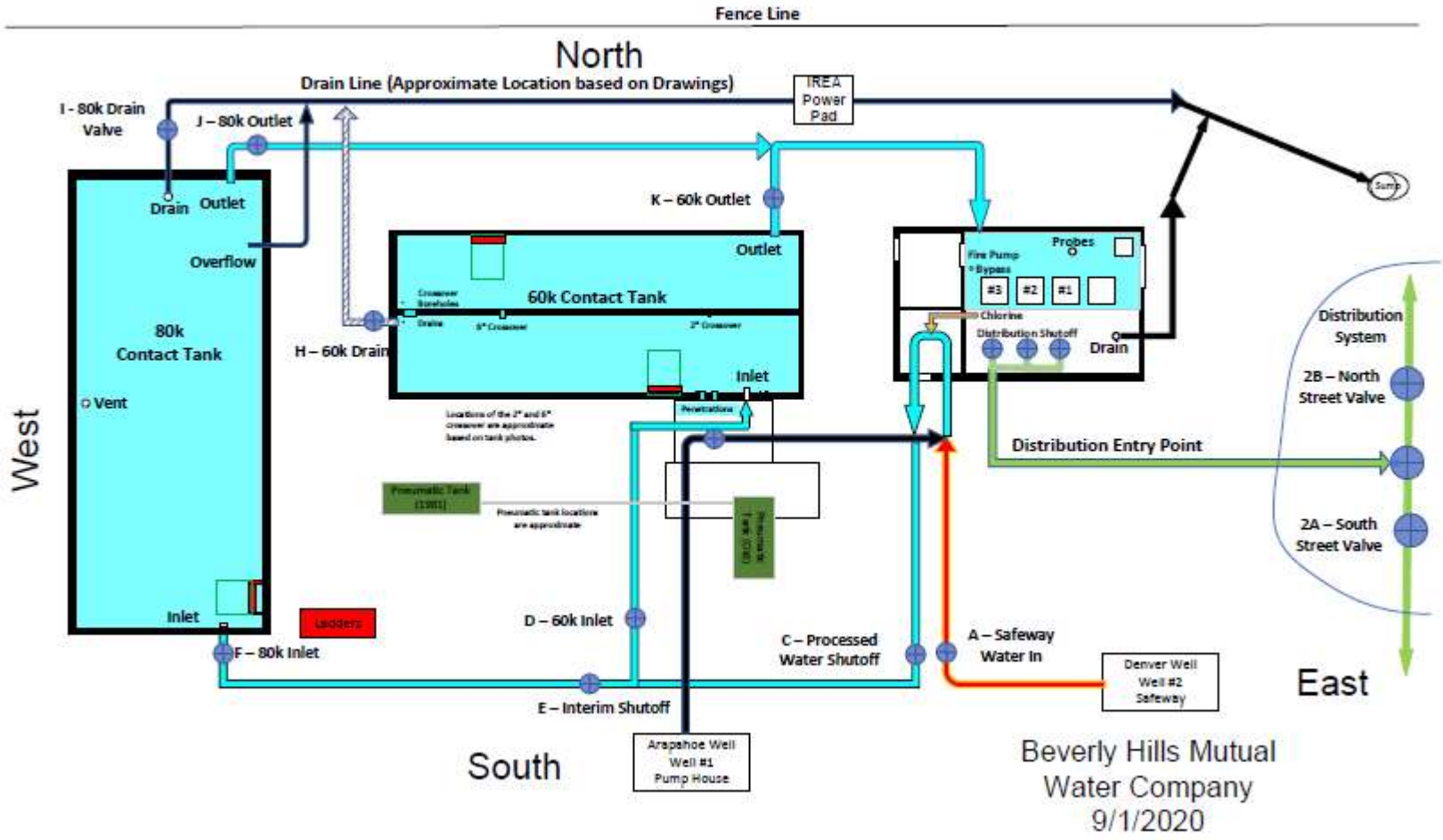


# Booster Pump Station, Contact Tanks, Well #1 and Well #2 Locations



# 7801 Beverly Boulevard

# Processing Flow



# Wells and Water Rights

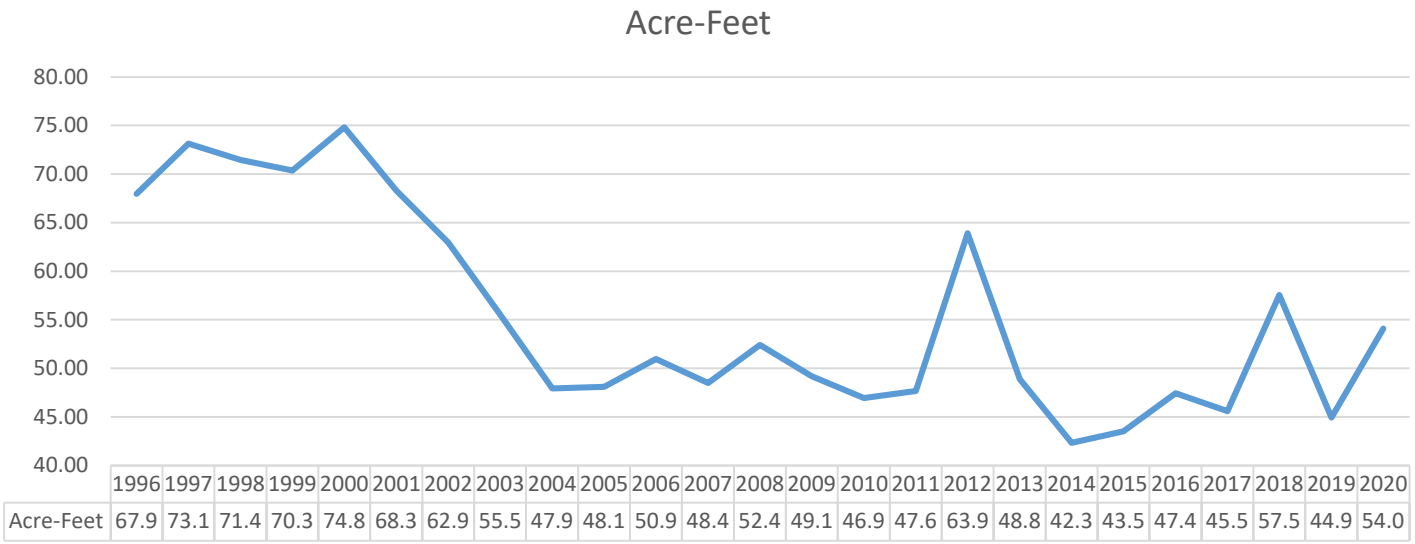
- Arapahoe Well (RF-7778)
  - Completed 2003
  - Depth = 2200 feet
  - Arapahoe Aquifer
  - 10 inches in diameter
  - Tested to 250 gpm
  - Permitted for 125 gpm
  - Old well = 60 gpm
  - Average usage = 120 gpm
  - Peak usage = 230 gpm (Total 141.14 acre feet)
- Denver (Safeway) Well (RF-7779)
  - Redrilled 1980
  - Depth = 1100 feet
  - Denver Aquifer
  - 8 5/8 inches in diameter
  - Tested to 150 gpm
  - Permitted for 125 gpm (Total 201 acre feet)

Combined not to exceed 260 acre feet

# Water Usage

| Year | 7778-RF Arapahoe (Acre-Feet) | 7779-RF Denver (Acre-Feet) | 7778-F Arapahoe (Acre-Feet) | Acre-Feet | # Users | Average Gallons per Home per Month | Expenses | Cost per 1000 Gallons |
|---|---|---|---|---|---|---|---|---|
| 1996 | | 43.71 | 24.26 | 67.97 | 107 | 17,249 | | |
| 1997 | | 46.80 | 26.33 | 73.13 | 108 | 18,387 | | |
| 1998 | | 44.68 | 26.79 | 71.47 | 109 | 17,805 | | |
| 1999 | | 46.25 | 24.11 | 70.36 | 112 | 17,059 | | |
| 2000 | | 46.25 | 28.57 | 74.82 | 112 | 18,140 | $ 43,608 | $ 1.79 |
| 2001 | | 43.40 | 24.90 | 68.30 | 113 | 16,413 | $ 54,702 | $ 2.46 |
| 2002 | | 22.61 | 40.33 | 62.94 | 114 | 14,992 | $ 64,793 | $ 3.16 |
| 2003 | 9.84 | 25.19 | 20.50 | 55.53 | 114 | 13,227 | $ 70,782 | $ 3.91 |
| 2004 | 33.16 | 14.78 | | 47.94 | 115 | 11,320 | $ 110,280 | $ 7.06 |
| 2005 | 32.12 | 15.99 | | 48.11 | 116 | 11,262 | $ 71,032 | $ 4.53 |
| 2006 | 47.46 | 3.51 | | 50.97 | 116 | 11,931 | $ 71,605 | $ 4.31 |
| 2007 | 3.10 | 45.38 | | 48.48 | 116 | 11,349 | $ 74,592 | $ 4.72 |
| 2008 | 4.70 | 47.70 | | 52.40 | 116 | 12,266 | $ 107,385 | $ 6.29 |
| 2009 | 22.11 | 27.06 | | 49.17 | 116 | 11,510 | $ 140,813 | $ 8.79 |
| 2010 | 20.51 | 26.42 | | 46.93 | 116 | 10,986 | $ 93,064 | $ 6.09 |
| 2011 | 14.84 | 32.84 | | 47.68 | 116 | 11,161 | $ 86,724 | $ 5.58 |
| 2012 | 4.15 | 59.77 | | 63.92 | 116 | 14,963 | $ 105,716 | $ 5.08 |
| 2013 | 9.96 | 38.92 | | 48.88 | 116 | 11,442 | $ 104,088 | $ 6.54 |
| 2014 | 10.10 | 32.24 | | 42.34 | 116 | 9,911 | $ 97,664 | $ 7.08 |
| 2015 | 10.80 | 32.72 | | 43.52 | 116 | 10,188 | $ 94,888 | $ 6.69 |
| 2016 | 12.40 | 35.03 | | 47.43 | 117 | 11,008 | $ 107,244 | $ 6.94 |
| 2017 | 11.48 | 34.10 | | 45.58 | 118 | 10,489 | $ 143,229 | $ 9.64 |
| 2018 | 29.49 | 28.05 | | 57.54 | 119 | 13,130 | $ 95,794 | $ 5.11 |
| 2019 | 22.72 | 22.22 | | 44.93 | 119 | 10,253 | $ 80,271 | $ 5.48 |
| 2020 | 26.65 | 27.43 | | 54.08 | 119 | 12,340 | $ 154,629 | $ 8.77 |

# Water Usage Trend




| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Acre-Feet | 67.9 | 73.1 | 71.4 | 70.3 | 74.8 | 68.3 | 62.9 | 55.5 | 47.9 | 48.1 | 50.9 | 48.4 | 52.4 | 49.1 | 46.9 | 47.6 | 63.9 | 48.8 | 42.3 | 43.5 | 47.4 | 45.5 | 57.5 | 44.9 | 54.0 |

# FY 2020 Income Statement

| Income Statement | 1/31/2021 | 1/31/2020 | 1/31/2019 | 1/31/2018 | 1/31/2017 | 1/31/2016 | 1/31/2015 | 1/31/2014 | 1/31/2013 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Residential | $137,024 | $149,043 | $113,461 | $110,851 | $112,233 | $92,510 | $108,520 | $109,879 | $113,000 |
| Commercial | $0 | 673 | 1,050 | 980 | 840 | 8,820 | 1,117 | 1,005 | 1,065 |
| Late Charges | $700 | 1,290 | 770 | 650 | 950 | 1,020 | 1,180 | 1,070 | 1,020 |
| Water Tap Fee | | | 20,000 | 20,000 | 20,000 | | | | |
| Miscellaneous Income | $1,234 | | 1,284 | 7,258 | 1,371 | 1,738 | 1,982 | 789 | 150 |
| Interest Income | $4,606 | 4,567 | 768 | 786 | 683 | 648 | 606 | 688 | 774 |
| Transfer Fees | | | 75 | 400 | 225 | 200 | 125 | 175 | 125 |
| **Total Revenues** | $143,564 | $155,573 | $137,408 | $140,925 | $136,301 | $104,936 | $113,530 | $113,606 | $116,134 |
| | | | | | | | | | |
| **Expenses** | | | | | | | | | |
| Accounting | $415 | $7,375 | $11,949 | $14,064 | $11,470 | $8,875 | $10,179 | $10,625 | $10,499 |
| Bank Charges | $1,339 | 2,008 | 2,100 | 2,118 | 2,268 | 1,968 | 600 | 600 | 565 |
| Consultant Fees | | | | 5,000 | | | 532 | | |
| Depreciation | $29,328 | 29,000 | 35,895 | 38,406 | 38,406 | 38,406 | 37,522 | 31,981 | 28,784 |
| Directors Fees | | | | | | | 700 | 700 | |
| Dues & Memberships | $275 | 275 | 175 | 175 | 175 | 175 | 175 | 175 | 150 |
| Engineering Fees | | | | | | | 344 | 973 | |
| Insurance | $3,537 | 754 | 2,984 | 2,889 | 2,801 | 2,720 | 2,525 | 2,580 | 2,540 |
| Inspection Fees | | | 730 | 80 | | | | | |
| Lawn Service | | | | | | 375 | 250 | 375 | 310 |
| Legal Fees | | | | | | | 315 | | |
| Meter Repairs | | 13 | 28 | 37,967 | | | | | |
| Meter Reading | $1,185 | 1,718 | 236 | 928 | 1,160 | 414 | 928 | 928 | 928 |
| Office Expense | $3,600 | 3,529 | 421 | 399 | 365 | 162 | 276 | 129 | 674 |
| Postage | $901 | 691 | 16 | | | | | | |
| Repair & Maintenance | $50,897 | 42,620 | 16,220 | 20,925 | 28,290 | 22,614 | 19,138 | 30,072 | 37,865 |
| State Health Lab Tests | | | | | | 744 | 5,273 | 5,389 | 5,603 |
| Survey Fee | | | 1,968 | 745 | | | | | |
| Taxes & Licenses | $150 | 301 | 152 | 150 | 250 | 150 | 150 | 150 | 150 |
| Telephone | $650 | 635 | 609 | 600 | 597 | 542 | 584 | 545 | 575 |
| Utilities | $30,808 | 20,351 | 21,327 | 18,726 | 21,462 | 17,742 | 18,159 | 18,850 | 17,073 |
| Miscellaneous | | | 984 | 58 | | | 13 | 16 | |
| **Total Expenses** | $123,086 | $109,271 | $95,794 | $143,229 | $107,244 | $94,888 | $97,664 | $104,088 | $105,716 |
| | | | | | | | | | |
| **Net Income** | $20,479 | $46,302 | $41,613 | ($2,304) | $29,057 | $10,048 | $15,866 | $9,518 | $10,419 |

# FY 2020 Balance Sheet

- Redacted from Web Version

# Expense Summary

| | |
|---|---|
| • Operations & Maintenance (75.8%) | $117,285 |
| • Utilities (16.2%) | $25,102 |
| • Billing/Banking expenses (3.8%) | $5,812 |
| • Insurance (2.4%) | $3,646 |
| • Meter Reading (0.8%) | $1,293 |
| • Everything Else (1.0%) | $1,491 |
| • Grand Total | $154,629 |

- This is all expenses except for depreciation
- Everything else: telephone, taxes, licenses, dues/memberships

# Operation & Maintenance Breakdown

| | |
|---|---|
| • Colorado Water Well | $68,985 |
| • Tank Remediation | $19,571 |
| • Elite Pipe (Service line repairs) | $15,800 |
| • Remove/Reinstall Safeway Well | $7,200 |
| • Everything Else | $5,728 |
| • Grand Total | $117,284 |

# Colorado Water Well Breakdown

| | |
|---|---|
| • Safeway Well Repair including Hardware | $28,747 |
| • Tank Remediation | $21,756 |
| • Periodic Service | $5,916 |
| • Flush Mains | $4,345 |
| • State Mandated Test Costs | $3,078 |
| • Sodium Hypochlorite | $2,460 |
| • Emergency Response | $1,565 |
| • Miscellaneous Material | $1,118 |
| • Total | $68,985 |

# Water Consumption

| Month Ending | Acre-Feet Pumped | Gallons Pumped | Gallons Metered at Houses | Pumped - Metered Gallons | Adjustment (See Notes) | Adjusted Pumped - "Metered" Gallons | % Adjusted "Metered"/Pumped | Days | Average Adjusted Unmetered per Day (Leakage) | Average Gallons Pumped per Day | Total Pumping Time (Hours) per Day @ 150gpm | Month | Days to Clear the Tanks (Effective) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1/31/2020 | 1.69 | 550,100 | 498,264 | 51,836 | | 51,836 | 9.4% | 31 | 1672 | 17,745 | 2.0 | January | 6.48 |
| 2/29/2020 | 1.59 | 516,600 | 469,347 | 47,253 | | 47,253 | 9.1% | 29 | 1629 | 17,814 | 2.0 | February | 6.45 |
| 3/31/2020 | 1.86 | 607,000 | 556,590 | 50,410 | | 50,410 | 8.3% | 31 | 1626 | 19,581 | 2.2 | March | 5.87 |
| 4/30/2020 | 2.59 | 844,500 | 797,975 | 46,525 | | 46,525 | 5.5% | 30 | 1551 | 28,150 | 3.1 | April | 4.08 |
| 5/31/2020 | 6.36 | 2,072,900 | 1,890,277 | 182,623 | 83,500 | 99,123 | 4.8% | 31 | 3198 | 66,868 | 7.4 | May | 1.72 |
| 6/30/2020 | 8.17 | 2,662,400 | 2,533,227 | 129,173 | | 129,173 | 4.9% | 30 | 4306 | 88,747 | 9.9 | June | 1.30 |
| 7/31/2020 | 9.20 | 2,997,300 | 2,846,089 | 151,211 | 3,400 | 147,811 | 4.9% | 31 | 4768 | 96,687 | 10.7 | July | 1.19 |
| 8/31/2020 | 10.01 | 3,263,000 | 3,072,516 | 190,484 | | 190,484 | 5.8% | 31 | 6145 | 105,258 | 11.7 | August | 1.09 |
| 9/30/2020 | 7.02 | 2,286,400 | 2,012,349 | 274,051 | | 274,051 | 12.0% | 30 | 9135 | 76,213 | 8.5 | September | 1.51 |
| 10/31/2020 | 5.08 | 1,655,200 | 1,289,470 | 365,730 | | 365,730 | 22.1% | 31 | 11798 | 53,394 | 5.9 | October | 2.15 |
| 11/30/2020 | 2.90 | 946,200 | 547,503 | 398,697 | | 398,697 | 42.1% | 30 | 13290 | 31,540 | 3.5 | November | 3.64 |
| 12/31/2020 | 3.04 | 991,400 | 545,533 | 445,867 | | 445,867 | 45.0% | 31 | 14383 | 31,981 | 3.6 | December | 3.59 |
| 1/31/2021 | 1.77 | 578,200 | 533,480 | 44,720 | | 44,720 | 7.7% | 31 | 1443 | 18,652 | 2.1 | January | 6.16 |
| FY 2020 | | 19,421,100 | 17,094,356 | 2,326,744 | 86,900 | 2,239,844 | 11.5% | | | | | | |

- Adjustments:
  - 83,500 gallons consumed while flushing the mains
  - 3,400 gallons consumed to clear mud from a culvert
  - 10/31 “Gallons Pumped” includes the 938,500 gallons from Castle Pines North Metro District

# Water Comes from Both Wells

# Eye On Water

- Every user can monitor water consumption via EyeOnWater.com or mobile App
- Every user can set an alarm and be notified if their meter detects a leak
  - Default leak threshold is one gallon per hour (8,760 gallons per year)
- Several homeowners have detected leaks via the App
- Only 72 of 119 users have activated the App (~60%)
- As of 2/12/21 there are four active leaks
  - 1.2*, 1.6, 3.2*, 28.0 gallons per hour
  - * homes have Eye On Water Accounts
- Number of leaks increases to double digits in the summer due to sprinkler systems

# Completed Activities

- Completed tank remediation required by the 2018 Sanitary Survey (Pending fire Pump install)
- Distribution maintenance (Kennedy/Crandall)
  - Raised manhole at Coventry/Charter Oaks
  - Raised hydrant shutoff on north Carolyn
  - Replaced valve top box at Saxeborough/Suffolk
- Drainage improvements at pump house
  - Douglas country regraded the drainage slope on 4 lots and replaced culverts
  - Rebuilt the rip rap at the sump exit to prevent erosion (Kennedy/Crandall)
- Replaced fluorescent lights in pump house with LED fixtures (Kennedy/Crandall)

# Tank Remediation Process and Timeline

- 10/1-10/2:  Turn off wells and drain down 80k tank, 60k tank and clear well through regular water consumption
- 10/2:  Install Castle Pines North Metro District water connection (Consumed 938,500 gallons of CPNMD water)
- 10/3:  Isolate pump house and tanks, then switch over to Castle Pines North Metro District water
- 10/3-10/14:  Monitor CPNMD water consumption
- 10/4:  Drain remaining water from tanks and clear well
- 10/5:  Turn over system to Hunt Industrial Solutions
- 10/13:  Tank refurbishment and cleaning complete
- 10/14:  Refill 60k tank and clear well, shut down CPNMD connections, restart pump house distribution pumps

# System Reliability

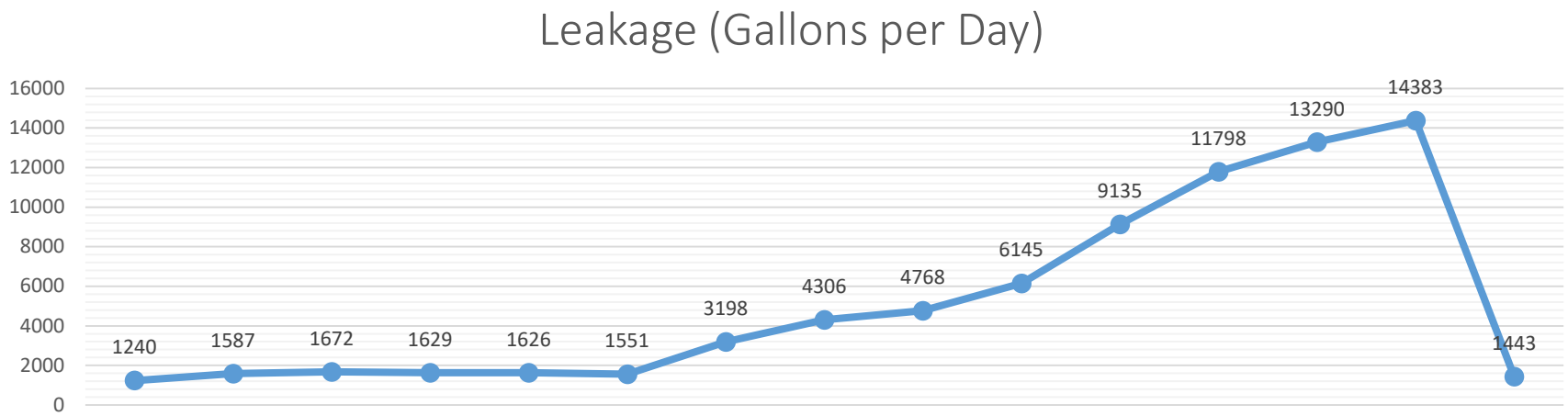
- Safeway well failed
- Two cellular endpoints failed
  - 454 Suffolk Lane, 631 3rd Avenue
  - Both replacements provided free under warranty
- Service line failures
  - 7651 Carolyn (Standing water on 1st Avenue)
  - 7665 Saxeborough (Water seeping at edge of road)
  - Both lines were poly pipe from the main to the pit

# Safeway Well Failure

- Safeway pump failed September 6, 2020
  - This is why we have two wells to supply us water
  - Failure detected by “No Flow” warning from the metering system
- Hydro resources was able to pull the well 9/26/2020
  - Pump/motor failed
  - Three check valves required replacement
  - Several couplings required replacement
  - Power line required replacement (estimated 25-30 years old)
  - Replaced the air line
- Pump reinstalled 10/13/2020 after receipt of required parts

# Water Leakage

- We meter water pumped from each well and all water delivered to users
- The difference between these two values is the leak rate
- 7665 Saxeborough leak repaired 12/29/20




| | 11/30/19 | 12/31/19 | 1/31/20 | 2/29/20 | 3/31/20 | 4/30/20 | 5/31/20 | 6/30/20 | 7/31/20 | 8/31/20 | 9/30/20 | 10/31/20 | 11/30/20 | 12/31/20 | 1/31/21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Leakage (Gallons per Day) | 1240 | 1587 | 1672 | 1629 | 1626 | 1551 | 3198 | 4306 | 4768 | 6145 | 9135 | 11798 | 13290 | 14383 | 1443 |

# Planned Activity – Hydrant Replacement

- We have received bids for the replacement of the two hydrants on Beverly Boulevard
  - 1957 Pacific States Hydrant – parts no longer available
  - 1959 Mueller standard hydrant – We cannot locate the hydrant isolation valve
- All other hydrants were installed in 1981
- Delayed this activity from 2020

# Combined Radium-226/228 Testing

- Normally monitored every six years
- Our 2019 test showed a level of 6.0 pCi/L that is higher than the 5.5 pCi/L level defined by the state
- The State required us to test quarterly during 2020
- The average of four quarterly tests was within the required limits
- The State has placed us on a three year sampling schedule starting for the period from 1/1/23 - 12/31/25

| Sample Date | Radium-226 | Radium-228 | Combined | Notes |
|---|---|---|---|---|
| 10/1/2019 | 1.2 | 4.8 | 6.0 | Failed the 5.5 limit |
| | | | | |
| 1/15/2020 | 1.2 | 0.7 | 1.9 | Pass |
| 4/5/2020 | 1.1 | 2.7 | 3.8 | Pass |
| 9/25/2020 | 2.1 | 3.5 | 5.6 | Fail |
| 11/1/2020 | 0.9 | 2.4 | 3.3 | Pass |
| Quarterly Sample Average = | 1.325 | 2.325 | 3.65 | Pass |

# Major Infrastructure Risks

- Risks identified in 2019 Annual Meeting
  - Denver aquifer well (Safeway) – This well failed
  - Service line failures – Two failures in 2020
  - Combined Uranium level – Appears to be resolved
- Expect continued service line failures
- Valve functionality
  - Several valves do not work and prevent us from easily isolating parts of the system for system flushing
  - Need to prepare and execute a valve replacement plan
- All distribution pipelines were replaced during the 1980 system expansion except:
  - Beverly Boulevard
  - Debbie Lane
  - 3rd Avenue (including Beverly Blvd to 2nd Avenue and the northernmost part of Carolyn Drive)
  - No failures yet, but we believe this may be cast iron pipe.
- Arapahoe well pump has not been pulled since circa 2009 (Layne-Western arbitration incident)
- Each of these items represent a significant repair cost
- Current cash reserves would be stressed by a well failure which required redrilling and leave few additional funds in case of a second major need

# How Clean is the Water?

- The system is operated in accordance with a Monitoring Plan filed with the state
- We pass state required tests for bacteria, heavy metals, nitrates and nitrites

| Item | Frequency |
|---|---|
| Bac-T | Monthly |
| TTHMs and HAA5s | 3 years |
| Lead and Copper | Annual |
| Nitrate | Annual |
| Fluoride | 3 years |
| Inorganics Group | 3 years |
| Synthetic Organics Group | 3 years |
| Volatile Organics Group | 3 years |
| Combined Radium | 3 years |
| Combined Uranium | 6 year |
| Gross Alpha, without Radon & Uranium | 6 years |
| Nitrite | 9 years |

- Denver Basin is the source – water is high quality
- Source water is high in dissolved iron and manganese, resulting in occasional brown water
  - Periodic flushing decreases the problem
  - A system-wide filter would require an operator

# Election of One Director

- Paul Harrison's term expires this year

# Questions?