

Elk Springs Homeowners Association, Inc.

Minutes of the Water Facilities Management Committee Meeting

April 17, 2019

The Water Facilities Management Committee (the “Committee”) of the Elk Springs Homeowners Association, Inc. (the “Association”) met on April 17, 2019 at 1155 Elk Springs Drive. The Agenda, that was distributed in advance of the meeting, is attached to and made a part of these meeting minutes.

The meeting was called to order at 6:40 pm by chair, Mike McDill. In attendance were Bob Sweikert and Evelyn Cole. Member Jonathan Kelly was not able to attend the meeting. In addition, Andrea Schoeber, President of the Association and Ed Holub, Treasurer of the Association were in attendance. Greg Boecker, Unit Owner, was also in attendance.

Evelyn Cole distributed the minutes of the Committee meeting held on November 5, 2018. A motion was made, seconded and unanimously approved to accept the minutes of the November 5, 2018 meeting and instructed Evelyn to post the minutes to the Association website.

Mike asked if there were any other additions or changes to the Agenda and no items were noted.

The next item on the Agenda was tabled as no representative from Integrated Mountain Management, the Association’s property manager was in attendance although invited to the meeting and no report was provided to the Committee as to assignments delegated to Integrated Mountain Management. The assignments were as follows:

- Communications to Unit Owners regarding inability to read remote water meters
- Replacement of electrical lines to the two wells – Bob Sweikert will be responsible for ensuring this is completed and discuss with EPC
- Communication with the City of Glenwood Springs and the City of Carbondale to determine what type of water meters are currently recommended. – Evelyn Cole will be responsible for ensuring this is completed and include a FAQ on the Association’s website, elkspringshoa.com, providing information on the type of water meters to be installed in future construction activities or replacement.
- Report on twice weekly inspection of the Property, including the pump house.

Alan Leslie with EPC (Environmental Process Control, the Association’s water operator) was not able to attend the meeting. EPC continues to perform monthly readings of the water meters as well as weekly inspection of the water facilities. Bob Sweikert will follow up with EPC regarding semi-annual measurements of the wells in order to determine the level of the Spring Valley aquifer.

Evelyn Cole updated the Committee on the Auburn Ridge and Pinyon Mesa Water Contracts. She distributed an analysis of the usage by month for each.

In June 2018, Pinyon Mesa consumed approximately 1.3 million gallons of water. The subdivision currently has thirty homes and 4 are under construction and with the opening of Phase II, a total of eighty (80) homes are planned. The current Water Delivery Agreement with Pinyon Mesa, which runs through 2023, requires the Association to deliver to Pinyon Mesa an amount of water sufficient to serve the reasonable domestic and residential needs, including irrigation, of up to eighty single-family homes, each with no more than 3,000 square feet of irrigated landscape. The Association agreed to provide Pinyon Mesa water in excess of 1.4 million gallons/ month if such is available to the Association after the Association fulfills all other water delivery obligations, including supplemental water usage by members of the Association, without any further expense, cost or outlay by the Association and without securing or constructing any additional water source, water rights or water facilities. Evelyn reported that the Pinyon Mesa's HOA Board and property management company have been proactive regarding water usage by Pinyon Mesa. Letters have been sent to all Pinyon Mesa Unit Owners explaining the issue, raising fines for high usage and requiring all Unit Owners to install meters which will be read monthly.

Evelyn presented the year to date December 2018 financial statements comparing actual results to budgeted, analyses of the water billings to Pinyon Mesa and Auburn Ridge for the year ended December 2018, water usage by Elk Springs Unit Owner for the year ended December 2018 and supplemental water revenue by Unit Owner for the year ended December 2018. The Association Treasurer did not have the current accounts receivable detail and therefore, the Committee was not able to review the listing of past-due water accounts receivable. Bob Sweikert will follow-up with Dalby, the Association's bookkeeper, to review the current status of open accounts receivable.

Evelyn reported that the results of the water operations for the year ended December 31, 2018 reflected net income of \$137,822 compared to the budget of \$114,003. The improvement in actual results as compared to the budget is due to the impact of the new higher rates with Auburn Ridge in connection with the new Water Delivery agreement that was finalized earlier in the year and fines assessed for late payment of fees and interest charges. Expenses are on budget and the reserve for water repair and replacement increased from \$378,792 at the beginning of the year to \$521,337 at the end of December 2018. The Committee requested the Association to review options for investment of the funds at its next Board meeting.

Bob Sweikert reported that he has been in discussion with the Executive Director of the Colorado Rural Water Association to obtain data as to development of a recommended reserve account.

Evelyn Cole provided a detail of water metered during 2018 versus water pumped during 2018. During 2018, 21,180,100 gallons of water were metered vs. 26,722,300

gallons of water pumped, reflecting a loss of 20.7%. A discussion ensued regarding the losses which can be attributed to the fact that the Association's irrigation system at the front gate and mailboxes are not metered, several Unit Owners do not have working water meters, unmetered farmer/yard hydrants and a delay between the issuance of a certificate of occupancy on new construction and the date the meter is first read. The Committee will further review this issue. In the meantime, Bob Sweikert will contact the property manager regarding installation of meters on the Association's irrigation and those residences with no working meter. The Association will notify the ARC regarding the requirement of working water meters prior to issuance of a certificate of completion on new home construction and will send out an e-mail to all Unit Owners regarding farmer/yard hydrants.

Bob indicated that the Committee and the Association has access to GIS.

Mike asked as whether there was any new business and Greg Boecker brought up the fact that the landscaping and trees planted on the property boundary behind the mailboxes is not being property maintained. The landscaping was originally installed to screen the multi-story high density development on neighboring land and to beautify the mailbox area. As this is not a Committee issue, Greg Boecker presented the requested to the Association officers in attendance at the meeting who agreed to research further. In addition, Evelyn brought up the fact that the developer of this land parks dump trucks, RVs and other equipment on the land which has become unsightly. Evelyn provided the owner name and parcel number to the Association officers present at the meeting to contact the City of Glenwood Springs/Garfield County as to whether the current owner is in compliance with current zoning guidelines for the parcel of land.

Being no further new business, old business or any other business, the meeting was adjourned at 8:04 pm.

I certify that the foregoing is a true and current copy of the minutes approved by the Committee.

Evelyn Cole

Date

AGENDA

Elk Springs Water Management Committee Meeting

6:30 pm, April 17, 2019

1155 Elk Springs Drive

- I. Call to Order
- II. Record attendance
- III. Any Past Minutes to review and approve
 - A. Minutes of November 5, 2018 meeting
- IV. Changes to the Agenda
- V. Report from Integrated Mountain Management
- VI. Report from EPC
 - A. Well level monitoring program
 - B. Other items?
- VII. Auburn Ridge and Pinyon Mesa Water Contracts
 - A. Update on Communications with Pinyon Mesa
 - B. Status of Pinyon Mesa water usage (compared to their 1.4 MG/month allocation)
- VIII. 2019 to Date Financial
 - A. Past Due Review – Executive Session
 - B. Recommendation for a Reserve Amount (any information from other systems)
 - 1. Any Colorado Rural Water Association recommendations
- IX. Water meter Issues and Planning Forward
 - A. Standardizing Home Meters (City of Glenwood Springs, or Carbondale standards)
 - B. HOA owned Meter(s) for Outside Sales (Auburn Ridge)
 - C. Water System Losses for 2018
 - D. Access to GIS
 - E. Unmetere3d Farmer/Yard Hydrants
- X. Other new Business
- XI. Any Old Business
- XII. Any other Business
- XIII. Adjournment

