

# Approved 02.21.17

# BATTLEMENT MESA SERVICE ASSOCIATION REGULAR MEETING OF THE BOARD OF DIRECTORS JANUARY 17, 2017

Present: Laurel Koning President, Battlement Creek Village
Bob Arrington Vice President, Willow Creek Village
Vice President, Willow Creek Village

John Shepherd Sec/Treasurer, Canyon View Village Eric Schmela Declarant, Battlement Mesa Partners

George Smith Director, Fairway Villas Sara McCurdy Director, First Eagle's Point **Iohn Constine** Director, Mesa Ridge Townhomes John Johnson Director, Monument Creek Village Joel Toomey Director, Stone Ridge Village Dianna Arnett Director, Tamarisk Meadows Amy Provstgaard Director, Tamarisk Village John Keller Director, The Reserve Brad Hoy Director, Valley View Village

Brad Hoy Director, valley view village

Absent: Denise Gallegos Declarant, Battlement Mesa Partners

Steve Rippy Association Manager
Amie Martin Administrative Assistant

Community Members Present: Kirby Wynn Keith Sheppelman

Cliff Reitan

#### **OWNERS OPEN FORUM**

Also Present:

Cliff Reitan from 72 E Bonanza Place stated that he had received a covenant violation letter for a 1 ton motor coach that is parked in his driveway. Mr. Reitan stated that the motor coach is used as a second vehicle and a recreational vehicle. He stated that the vehicle is a 1 ton truck with a built in camper. His driveway is 22 feet long and the motor coach is 19 feet long. He is asking the Board for a variance for the motor coach.

The Board will discuss the issue under new business at this meeting.

## **CALL TO ORDER**

Director Koning called the meeting to order at 9:08 am.

### DISCLOSURE OF CONFLICT

Director McCurdy disclosed that she is a Board member of the Battlement Mesa Metropolitan District.

Director Hoy disclosed that he owns a company that is under contract with the BMSA to provide weed management services.

### KIRBY WYNN-GARFIELD COUNTY OIL & GAS LIAISON

Mr. Wynn reported that URSA is currently drilling 26 wells at the B & V pad in Parachute. They are scheduled to complete the 26 wells at the end of March and then the rig will be moved to the BMP D pad to drill 14 wells. Summit Midstream is in the process of boring a pipeline from the BMP B pad to the BMP D pad. Mr. Wynn reported that URSA is working on Phase II which is pads A, L & M. Battlement Mesa Partners and Battlement Mesa Land Investment is scheduled for a hearing with the Garfield County Planning Commission on February 8, 2017 at 6:00 pm in Glenwood Springs regarding the zone text amendment request. The zone text amendment is for about 37 acres near the B pad to include injection well small to the text. If approved, this amendment would allow an injection well, but a special use permit would need to be obtained prior to putting in the injection well.

Page 1 of 3





Mr. Wynn reported that URSA has scheduled their public meeting to discuss phase I of their project in Battlement Mesa for February 9, 2017 at 6:00 pm at the Grand Valley Fire Protection District

Mr. Wynn reported that URSA has schedule their public meeting to discuss phase II of their project in Battlement Mesa for March 14, 2017 at 6:00 pm at the Grand Valley Fire Protection District.

Mr. Wynn reported that the next EAB meeting is scheduled for February 2, 2017 at 5:30 pm at the Garfield County Administration building in Rifle.

Mr. Wynn reported that he received no issues/complaints in the last month.

## **DECEMBER 20, 2016 MEETING MINUTES**

A motion was made by Declarant McCurdy and seconded by Director Provstgaard to accept the December 20, 2016 regular meeting minutes as presented. The motion carried unanimously.

#### FINANCIAL REPORTS

A motion was made by Director Johnson and seconded by Director Toomey to approve the December 2016 financial statements: subject to audit. The motion carried unanimously.

#### **COMMITTEE REPORTS**

Finance Committee-See attached report.

A motion was made by Declarant Schmela and seconded by Director Constine to appoint Cheryl Robacker to the finance committee. The motion carried unanimously.

**Architectural Committee**-No meeting/report.

**Covenant Control Committee-**No Report

Oil & Gas Committee-No report

Parks, Open Space & Trails Committee-No report

Associated Governments of Northwest Colorado-No report

Energy Advisory Board-No meeting/report.

#### MANAGER REPORT

See attached report.

Steve Rippy reported that a contractor is in the process of repairing the concrete in the big park that was raised by tree roots. Mr. Rippy stated that some cottonwood trees had to be removed to make the repairs.

# **DEVELOPER REPORT**

Declarant Schmela reported the he and URSA are meeting with BMSA's Oil & Gas Committee on February 1, 2017 to discuss the potential changes to phase II of URSA's drilling plan.

Declarant Schmela reported that the zone text amendment request hearing will be in front of the Garfield County Planning committee on February 8, 2017 at 6:00 pm in Glenwood Springs.

Declarant Schmela reported that the Winterfest celebration is scheduled for Saturday, January 28, 2017 from 4:00 to 7:00 pm at the BM golf course.



Page 2 of 3



Declarant Schmela reported that AIG, who holds the notes on the properties that were foreclosed on, will be accepting bids to purchase these properties until February 23, 2017.

#### **NEW BUSINESS**

# **Approve 2017 Hindman Sanchez Contract**

A motion was made by Director McCurdy and seconded by Director Arrington to approve the 2017 Hindman Sanchez contract as basic retainer services and traditional fee. The motion carried unanimously.

# Adopt 2016 Amended Budget

A motion was made by Director McCurdy and seconded by Director Keller to adopt the 2016 amended budget. The motion carried unanimously.

#### Discuss 72 E Bonanza Pl variance

After much discussion, a motion was made by Director Schmela and seconded by Director Toomey to approve a temporary variance until July 1, 2017 for the owner at 72 E Bonanza Place to park a small motor coach on his driveway. The motion carried unanimously.

The Board of Directors assigned Directors Johnson, Hoy and Provstgaard to review the covenants regarding recreational vehicles.

The Board of Directors assigned Directors Toomey, Keller and Arnett and administrative assistant Amie Martin to organize the annual meeting that is schedule for April 20, 2017 at the Grand Valley Recreation Center.

The Board of Directors assigned Steve Rippy, Declarant Schmela and the finance committee to discuss a plan for the use of the \$1,000,000 that BMSA will be receiving from URSA.

Director Koning asked all Board of Director members to come to the next meeting with 2 ideas for the URSA money.

### **OLD BUSINESS**

None

### **OTHER BUSINESS**

#### ADIOURNMENT

The meeting adjourned at 10:44 am.

Page 3 of 3

# **BMSA Financial Committee**

# January 17, 2017 Report on Financial Documents

# For EOY December 2016

# **Operating Accounts**

December is the end of our financial year (EOY). The results for the year are very positive with the net income over expenses \$57,185. Those items exceeding budget are made up for those many items underrunning the budget. The Financial Committee has reviewed these documents and we find them to be complete and accurate but subject to audit. Copies of the December 2016 financials are included in your packets.

The Common and Developer Assessment actuals exceeded the budget amounts, along with income from Attorney Fees, and Miscellaneous Revenues, but Comcast Franchise payments continue its drop underrunning the budget by \$4,220. The bottom line for Actual Revenues exceeding the Budgeted amounts was \$41,260.

On the Expense side, those items underrunning the budget by significant amounts are: Management and Accounting, Bank Charges, Sprinkler Maintenance, Trash Service, and Street Light Electricity. Those items overrunning the budget by significant amounts are: Postage/Copy/Office Supplies, Landscape Maintenance, Right of Way Maintenance, Bench Maintenance, and a large mount for Irrigation Water.

Since this is the EOY, there will be some accounting adjustments and there will be some Income Taxes assessed.

On the Balance Sheet, all of the accounts are consistent with past history and there is nothing of concern.

#### Reserve Accounts

We also reviewed the Reserve Accounts. The Median Improvement account end up being under budget, Land Improvements not yet completed therefore showing an underrun, but the Waterfall Improvements (the pump replacement) was not budgeted but costs to date \$13,231.

The amounts invested with Edward Jones continue to earn small amounts and are consistent with the State Laws requiring investing in secure accounts. \$600 was withdrawn to pay for the improvement on the "Turkey Park Improvements and Design plans to Clavonne Roberts & Assoc. and \$3,116 to pay for the crosswalk improvements at West Battlement Parkway and Stone Quarry,

#### Budget 2017

The amended Budget for 2017 is scheduled for review and re-approval.

The next step will be for an Audit by our retained CPAs, and Income Tax Preparation.



# **Manager Report**

Date:

January 17, 2017

To:

Board of Directors, Battlement Mesa Service Association

From:

Steve Rippy, Association Manager

**2016 Amended Budget**: In your packets I have provided an amended BMSA 2016 Budget. Each year, typically in January, I provide an amended budget to the Board of Directors that more accurately reflects the previous year's actual operational and reserve financial activity. The purpose of amending the budget is to reduce potential BMSA tax liability as well as conform with non-profit regulations as it relates to allocating operational and reserve funding.

In 2016 Operational Costs will have exceeded budgeted amounts by approximately \$44,000. The largest factors in the excess costs are associated with Bad Debts and Write-Offs which account for approximately \$21,000 and irrigation water which exceeded the budget by approximately \$25,000. There are of course several line item expenditures which fell below budgeted amounts which account for the total of \$44,000.

Non-assessment revenues exceeded 2016 budgeted amounts by approximately \$20,000. The excess revenues were associated with new ownership transfers, collection of violation fines and attorney fees collected on properties that have sold out of foreclosure that had outstanding assessments due.

In order to insure operational costs are met adjustments to the budget are made through the allocation of assessments from reserves to operations. The amended 2016 budget reflects reallocation of approximately \$19,800 in 2016 assessments from reserves to operations.

**BMSA** Newsletter Publication: The January 2017 newsletter was produced and emailed on January 15<sup>th</sup>. The new contractor is Jessica Lynn Studios, owned by Jessica Meath. BMSA's previous contractor, Elk Peaks Consulting, provided management with an email list of recipients that had been accumulated over the past several years. If you or someone you know that had previously received the newsletter and did not receive the latest addition please advise the BMSA management office so we can insure the email is added to our list.

**Covenant Enforcement**: On January 1, 2017 the Battlement Mesa Metropolitan District began providing covenant enforcement services for the BMSA. Any covenant related questions or concerns should be directed to the BMSA management office.