

Approved 12/20/16

BATTLEMENT MESA SERVICE ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
November 15, 2016

**Present:**

Sara McCurdy	President, First Eagle's Point
Bob Arrington	Vice President, Willow Creek Village
John Shepherd	Sec/Treasurer, Canyon View Village
Eric Schmela	Declarant, Battlement Mesa Partners
Joel Toomey	Director, Stone Ridge Village
John Keller	Director, The Reserve
Dianna Arnett	Director, Tamarisk Meadows
Amy Provstgaard	Director, Tamarisk Village

**Absent:**

Denise Gallegos	Declarant, Battlement Mesa Partners
Laurel Koning	Director, Battlement Creek Village
George Smith	Director, Fairway Villas
John Johnson	Director, Monument Creek Village
Brad Hoy	Director, Valley View Village

**Also Present:**

Steve Rippy	Association Manager
Amie Martin	Administrative Assistant

**Community Members Present:**

Chuck Hall	Kirby Wynn
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**OWNERS OPEN FORUM**

None

**CALL TO ORDER**

Director McCurdy called the meeting to order at 9:01 am.

**DISCLOSURE OF CONFLICT**

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

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

Mr. Wynn reported that URSA will begin construction of their pipeline in Battlement Mesa in January 2017 with pad construction shortly after. They plan to install the barrier walls and begin drilling between May and June of 2017. Once the drilling begins, URSA has 36 months to complete the B & D pads and the pipeline. Mr. Wynn stated that he will be in Battlement Mesa extensively when construction begins.

Mr. Wynn reported that he received a complaint of an "oil & gas" smell near the old Kum & Go. Mr. Wynn came to Battlement Mesa to investigate. The odor was coming from Xcel Energy's utility lines that they were making repairs to.

Mr. Wynn reported that the next EAB meeting is December 1, 2016 at the Garfield County Administration building on the 2<sup>nd</sup> floor. The meal is served at 5:30pm the meeting begins at 6:00 pm. The speaker will be Sara Hawkins regarding the US Geological Survey.

**APPROVAL OF MINUTES**

A motion was made by Director Arrington and seconded by Director Keller to approve the September 19, 2016 special meeting minutes as presented. The motion carried unanimously.

A motion was made by Director Arrington and seconded by Director Keller to approve the October 19, 2016 minutes with corrections. The motion carried unanimously.

Page 1 of 3

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#### **APPROVAL OF FINACIAL REPORT**

A motion was made by Declarant Toomey and seconded by Director Arrington to approve the financial statements for October 2016; subject to audit. The motion carried unanimously.

#### **COMMITTEE REPORTS**

**Finance Committee:** See attached report.

**Architectural Review Committee:** No reports.

**Covenant Committee:** No reports.

**Oil & Gas Committee:** See attached report.

Chuck Hall reported that the BMSA lost their Local Government Designee through the COGCC because the BMSA is not a county government, town or special district. The BMMD is eligible to request and LGD because they are a special district.

Chuck Hall reported that on December 1, 2016 from 9:00 am to 12:00 pm at the CMC building in Rifle there will be a North West Colorado Oil & Gas Forum.

**Parks/Open Space/Trails Committee:** No report.

**Associated Governments of Northwest Colorado:** No report.

**Energy Advisory Board:** See attached report.

#### **MANAGER REPORT**

See attached report.

#### **DEVELOPER REPORT**

Declarant Schmela reported that URSA filed the zone text revision to Garfield County on November 14, 2016.

Declarant Schmela reported the he met with the Stone Ridge Village residents to discuss the status of BMC.

Declarant Schmela reported that BMC is still negotiating with AIG to buy back the foreclosed properties.

Declarant Schmela reported that the Winterfest celebration is scheduled for Saturday, January 28, 2017 at the Golf Course. This year the Parachute/Battlement Mesa Park & Recreation District are helping with the event.

#### **NEW BUSINESS**

**Appoint Tom Gentilcore the the Archutectural Committee:** A motion was made by Director Arrington and seconded by Director Provstgaard to appoint Tom Gentilcore to the Architectural Committee. The motion carried unanimously.

**Approve 2017 Final Budget:** A motion was made by Director Keller and seconded by Director Toomey to approve the 2017 annual budget with no increase to the assessments. The motion carried unanimously.

#### **OLD BUSINESS**

None

**OTHER BUSINESS**

Director Provstgaard asked if the speed sensor on Tamarisk Trail could be removed. It has been there for many months.

Mr. Rippy will call Garfield County to see if the sensor can be removed.

Director Provstgaard asked how long the signs for the election can be displayed.

Mr. Rippy stated that they need to be removed within 10 days. If there are signs displayed after the 10 days, please let the office know.

Director Provstgaard stated that she has noticed the sprinklers systems throughout Battlement Mesa continue to run even during a rain storm. Could rain sensors be installed on the sprinkler systems.

Mr. Rippy reported that this issue has been discussed before and it would be very costly to install rain sensors on the sprinkler systems throughout Battlement Mesa.

**ADJOURNMENT**

The meeting adjourned at 10:36 am.

# BMSA Financial Committee

## November 15, 2016 Report on Financial Documents

### For October 2016

#### Operating Accounts

October is the 10<sup>th</sup> month of our fiscal year. The results for the year to date continue to look good and there is nothing out of ordinary. We continue to remain in a very positive position. Copies of the October 2016 financials are included in your packets. The Financial Committee has reviewed these documents and we find them to be complete and accurate but subject to audit.

On the income side, the results show that total income exceeded budget amounts by \$12,259. The Common Assessment actuals were under the budget amount and the Developer Assessments exceeded the budget by some \$629.00; income from attorney fees exceeded the budget by some \$10,967; and Comcast Franchise payments continue its drop underrunning the budget by \$1470.

On the expense side, the actuals are lower than budgeted amounts (\$85,359) with most accounts being under budget; except for the Community Relations because of the cost of printing the Annual Report, Common Area Insurance (\$10,944) (billing has been delayed), Landscape Maintenance (\$51,893), ROW/Open Space Mtce (\$1,310). Bench Maintenance (\$3,420), Fence Maintenance (\$5,887), and Utility Locates (\$3,151), Street Light Maintenance (\$5,681) were all over budget but the work had to be done before winter weather prevents. If you note the 2017 Budget shows a much lower estimate because of the work done this year. These overages were balanced by many accounts being under budget, namely Management & Accounting, Bank Charges, Trash Service and others.

The bottom line shows a net positive amount of \$97,618. It is anticipated that we should end up in a positive position at the end of the year.

On the Balance Sheet, all of the accounts are consistent with past history and there is nothing of concern. The Accounts Receivable Assessments is lower than previous months and consistent with normal activities.

#### Reserve Accounts

We also reviewed the Reserve Accounts. The Median Improvement account is now 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. \$9,800 was withdrawn to pay for the Waterfall Improvements (\$5,300) and payment for the design work for the "Turkey Park" plans to Clavonne Roberts & Assoc. (\$4,500)

#### Budget 2017

The Financial Committee has reviewed the proposed 2017 Budget and believe it reflects what is reasonable for the new year. We recommend it be approved.

Copies for the Board are available.

## Overview of the Oil and Gas Committee.

•At the Direction of the Board of Directors monitor and report on energy issues affecting the Battlement Mesa Planned Unit Development (PUD) and/or energy issues outside the PUD if those issues could affect the health and welfare of Battlement Mesa residents. Also, provide a communication outlet between the energy industry, Energy Advisory Board, Local Government Designee and the BMSA.

1. The Committee shall review and monitor energy issues in the Battlement Mesa area and report to the Board of Directors.
2. The Committee shall meet, when necessary, with energy companies to gather information about their activities and/or communicate concerns.
3. The Committee shall make every attempt to achieve the desired outcome by negotiation rather than confrontation on issues involving energy companies.
4. The Committee may from time to time hold informational gatherings with the mineral extraction industry, BMSA Board of Directors and community members.
5. The Committee shall make requests of the Board of Directors for approval of all expenditures.
6. As requested by the Board of Directors, conduct other committee related duties as assigned.
7. Review its own performance annually and submit a report to the Board of Directors identifying what had been accomplished by the Committee.

## Oil & Gas Committee Activities:

- Community Counts Board Meeting – November 9, 2016
  - Attendance at Meeting.
    - Chuck Hall, Kirby Wynn, Susan Alvair, Don Simpson, Steve Rippey
- BOCC Meeting – November 7, 2016

## Current Focus

- Continued review URSA's Phase I's planned activities for the Battlement Mesa Planned Unit Development (PUD).
- Follow activities in the BMSA area

## Activities

- URSA is currently:
  - Drilling the last 7 wells on the Monument B Pad.
  - Completing 17 wells on the Thomkins Pad, once completed the completion will be shifted to the Monument B Pad.
  - Drilling will then move the Thomkins Pad and finish drilling out the remaining wells, with completion to follow.
  - When the Drilling is completed on the Thomkins Pad the URSA rig will move to the B & V Pad that is located next to the Days Inn in Parachute to drill 22 wells.
- BOCC Meeting on November 7, 2016 as noted from Kirby Wynn:
  - In recognition of Ursa Operating Company having met all applicable conditions of approval, the Garfield County Board of County Commissioners finalized approval of Special Use Permits for the BMC B and D well pads in Battlement Mesa. Combined with the associated and previously



BATTLEMENT MESA

## Service Association

finalized pipeline permit, Ursa is now authorized by the County and Colorado Oil and Gas Conservation Commission to begin construction activities once they have fulfilled any additional state or federal permitting requirements. The most recent estimate from Ursa indicates the pipeline could commence construction as soon as March 2017 with well pad construction activities to commence at a later date.

- Other activities in the Country and Colorado
  - Terra has 1 rig in operation
  - Caerus has 1 rig in operation
  - Seventeen rigs are operating in Colorado

### **Action Items / Next Steps**

- Continue to review the URSA applications for the Phase I activities in the Battlement Mesa Area.
- Follow activities of Oil & Gas in and around the Battlement Mesa Area.

**EAB Meeting Nov.3, 2016**  
Bob Arrington

Dinner buffet consisted of roast turkey and trimmings. Free to all attendees.

Program was on the State Budget process by Luke Teater, Economist in the State Planning and Budget Office followed by Morgan Hill of Garfield Public Health.

Teaters program described the process to develop budget plans and factors gathering. I questioned, "Routt County got into budget problems over coal taxes not paid. Does the state plan ahead for O&G lost taxes and revenue, loss of wages, other tax shortages like sales tax, and property values. Do they look beyond a year?"

Answer was, "No. About a year only."

Morgan gave an update about on air quality being good.

In the Battlement report, I noted the quiet period as would be noted by URSA's report scheduled to be made by John Doose and Kirby Wynn's report of complaints.

## Manager Report

Date: November 15, 2016  
To: Board of Directors, Battlement Mesa Service Association  
From: Steve Rippy, Association Manager

**BMSA 2017 Final Budget:** A copy of the proposed 2017 final budget is included in your packet. No increase is proposed for the annual assessments and total operating revenues have been budgeted based upon previous year's actual revenues. Most operating expenditure line items have been maintained at previous year levels. Increases have been budgeted for contract increases in management and covenant enforcement and some increases have been budgeted for other line items based upon previous year's actual costs. Overall the 2017 operating budget reflects a relatively flat revenue stream when compared to previous years and expenditures have been budgeted relatively the same as actual costs in years 2014 and 2015.

Reserve fund revenues have been budgeted 8% below the 2016 budget based upon the shifting of necessary revenues to cover operating costs. Reserve fund expenditures include capital improvements and replacement for; staining of fences, landscape rock and irrigation modification along fences, parkway median landscape improvements and park development improvements to Turkey Trail Park.

**Crosswalk /Battlement Parkway:** On November 2<sup>nd</sup> the new crosswalk was installed at the 3-way stop on the E. Battlement Parkway/Stone Quarry Road intersection near the Kum & Go. As you may recall the BMSA was awarded a \$5,000 grant from the Garfield County/Live Well organization to install the crosswalk. The total to install the crosswalk and provide traffic control was \$4,623.50. I am researching to determine whether the County requires additional signage which would be funded with the remaining funds from the grant.

**Tree Maintenance in Common Areas:** Approximately nine cottonwood trees were removed along the trail adjacent to the drainage area in Tamarisk Village this past month. The trees, which were approximately 25 feet in height, were leaning over houses and backyards at significant angles posing some concern from residents in the area. These trees grew naturally in the area and are not trees planted by the BMSA. The 2016 budget for tree maintenance will be exceeded by approximately \$700 due to this expenditure.

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