

Approved 01/17/17

**BATTLEMENT MESA SERVICE ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
DECEMBER 20, 2016**

Present:

Sara McCurdy	President, First Eagle's Point
Bob Arrington	Vice President, Willow Creek Village
John Shepherd	Sec/Treasurer, Canyon View Village
Laurel Koning	Director, Battlement Creek Village
Eric Schmela	Declarant, Battlement Mesa Partners
Joel Toomey	Director, Stone Ridge Village
Dianna Arnett	Director, Tamarisk Meadows
John Johnson	Director, Monument Creek Village
Brad Hoy	Director, Valley View Village

Absent:

Denise Gallegos	Declarant, Battlement Mesa Partners
George Smith	Director, Fairway Villas
Amy Provstgaard	Director, Tamarisk Village
John Keller	Director, The Reserve

Also Present:

Steve Rippy	Association Manager
Amie Martin	Administrative Assistant

Community Members Present:

Kirby Wynn	Mary Lee Mohrlang
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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.

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

MARY LEE MOHRLANG-PBM TRAILS GROUP

See attached report.

Mary Lee reported that the PBM Trails Group has joined with the Parachute/Battlement Mesa Park & Recreation District. The group has scheduled the Battle on the Mesa bike race for April 29, 2017. Since they are part of the P/BM Park & Rec District they no longer need BMSA to provide the insurance for the event. They are asking for a \$300 sponsorship for the event and permission to use the bike paths.

KIRBY WYNN-GARFIELD COUNTY OIL & GAS LIAISON

Mr. Wynn reported the Ursa has begun the construction of the pipelines between the B and D pads and the pad building will begin after the 1st of January. The drilling will begin between April and May 2017.

Mr. Wynn reported that he responded to an odor complaint from a resident in Mesa Ridge. The source of the odor could not be identified. Mr. Wynn also responded to a light complaint coming from the B&V pad in Parachute. The operator has fixed the lighting issue. Mr. Wynn reported that Garfield County has received the funds from Ursa to develop air monitoring equipment for the B & D pads and the equipment is being developed.

Director McCurdy welcomed Director John Constine back to the Board of Directors. He is the new director for Mesa Ridge Townhomes.

NOVEMBER 15, 2016 MEETING MINUTES

A motion was made by Declarant Schmela and seconded by Director Toomey to accept the November 15, 2016 regular meeting minutes as corrected. The motion carried unanimously.

FINANCIAL REPORTS

A motion was made by Director Koning and seconded by Declarant Schmela to approve the November 2016 financial statements; subject to audit. The motion carried unanimously.

COMMITTEE REPORTS

Finance Committee-See attached report.

The finance committee will meet with Cheryl Robacker prior to the next BMSA Board meeting.

Architectural Committee-No report/meeting.

Covenant Control Committee-No Report

Oil & Gas Committee-No report

Director McCurdy reported that she received a letter from Don Simpson, VP of Ursa, which states that BMSA will receive \$250,000 from Ursa when drilling starts in April or May 2017. The next three payments of \$250,000 each will be paid each year in 2018, 2019 and 2020.

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.

Steve Rippe reported that Eric Schmela from Battlement Mesa Company has agreed to provide an easement for a bike path near the new community park.

DEVELOPER REPORT

Declarant Schmela reported that the Winterfest celebration is scheduled for Saturday, January 28, 2017 at the BM golf course.

NEW BUSINESS

Foreclosure Resolution-A motion was made by Director Arrington and seconded by Director Johnson to adopt the foreclosure resolution for 233 Willow Creek Trail. The motion carried unanimously.

Newsletter Contract-A motion was made by Director Koning and seconded by Director Toomey to approve the newsletter contract with Jessica Lynn Studios for a 1 year contract at \$560 per month. The motion carried unanimously.

Website Contract-A motion was made by Director Koning and seconded by Director Toomey to approve the website contract with Vista Works for a 3 year contract for \$400 per month. The motion carried unanimously.

Covenant Enforcement Contract-A motion was made by Declarant Schmela and seconded by Director Toomey to approve the covenant enforcement contract with Battlement Mesa Metropolitan District for a 1 year contract for \$1,450 per month. The motion carried with Director McCurdy abstaining and Director Johnson against the motion.

Street Litter Contract-A motion was made by Director Koning and seconded by Director Shepherd to approve the contract for street litter pickup with Parkway Services for a 1 year contract for \$1,040 per month. The motion carried unanimously.

Director Hoy left the meeting during discussion of the weed management contract.

Weed Management Contract-A motion was made by Director Schmela and seconded by Director Constine to approve the weed management contract with Mountain Lawn LLC for a 1 year contract for \$15,000 for 3 sprayings. The motion carried unanimously.

Director Hoy returned to the meeting.

Battle on the Mesa Sponsorship-A motion was made by Director Arrington and seconded by Director Toomey to approve the sponsorship of \$300 and permission to use the bike path to the PBM Trails Committee. The motion carried unanimously.

OLD BUSINESS

None

OTHER BUSINESS

A motion was made by Director Shepherd and seconded by Director Koning to schedule the annual BMSA member meeting for April 20, 2017. The motion carried unanimously.

ADJOURNMENT

The meeting adjourned at 10:20 am.

BMSA Financial Committee

December 20, 2016 Report on Financial Documents

For November 2016

Operating Accounts

November is the 11th 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. The Financial Committee has reviewed these documents and we find them to be complete and accurate but subject to audit. Copies of the November 2016 financials are included in your packets.

On the income side, the results show that total income exceeded budget amounts by \$23,999. The Common Assessment actuals were under the budget amount and the Developer Assessments exceeded the budget, income from attorney fees exceeded the budget by some \$11,960; and Comcast Franchise payments continue its drop underrunning the budget by \$1,470, and Miscellaneous Revenues exceeded the budget amounts by \$5,641.

On the expense side, the actuals are lower than budgeted amounts (\$31,176) with most accounts being under budget; except for the Community Relations because of the cost of printing the Annual Report, Landscape Maintenance (\$24,674) (late billing), ROW/Open Space Mtce (\$3,325). Bench Maintenance (\$3,420), Fence Maintenance (\$4,837), and Utility Locates (\$2,991), Street Light Maintenance (\$4,987) were all over budget. 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 \$55,176. 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.

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. \$5,900 was withdrawn to pay for the improvement on the "Turkey Park Improvements and design plans to Clavonne Roberts & Assoc. and to pay for the crosswalk improvements at West Battlement Parkway and Stone Quarry,

Budget 2017

The Budget for 2017 was approved at the last Board Meeting.

EAB Meeting Dec. 1, 2016

Bob Arrington

A main course dinner featuring Lasagna was buffet served and a large attendance was marked.

The EAB meeting had 3 presentations, the first being Robert Legrand, P.E. AECOM and Gary Webber NW Colorado Consultants Inc. and then secondly by Sarah Hawkins of the U.S. Geological Survey thirdly followed by Robert Downey, VP Gunnison Energy.

The first presentation was about the biomass pile being used to dispose of Oil and Gas development wastes. They are using bio-mass piles, aerated and covered, with bacterial breakdowns at the county land-fill. The process produces usable soils cleaned of hydrocarbons. The process is still undergoing tests to determine cold weather effectiveness after passing initial tests. Construction details and process were explained.

The second presentation was about the U.S.G.S. evaluation of increased reserves of NG in the Mancos shale. This information has also had a story in the Sentinel just yesterday. The new showed an increase from estimated 21 Trillion cubic feet (Tcf) to a low 34Tcf, mean 66Tcf, High 112Tcf. Ms. Hawkins also showed annual U.S. consumption at 27.5 Tcf/year. This meant the 112 Tcf would be approximately 4 years of U.S. consumption with no increase in consumption. With the conversion of power plants to NG burning, consumption will not be static. This Mancos revision is supposed to be about the largest field in the U.S. Since there are about 5 major fields, if they could all yield the same amount, it would indicate about 20 years supply.

The third presentation was about improved recovery methods and higher production. It was interesting to note production curves seemed much closer to straight line decline, but closer examination of the charts showed logarithmic y-axis production vs. x-axis linear time. Which meant that production fall-off in linear scales for both axis would be asymptotic fall-off decline still occurring.

During other reports, it was announced Bill Nelson is the new Designate Government Liaison for the BMMD which is a body state law recognizes as being a proper organization to represent Battlement Mesa.

I reported light complaints about the B&V pad in Parachute and by December 15, all lights appeared diverted from shining on homes in Battlement (Willow Creek).

Manager Report

Date: December 20, 2016
To: Board of Directors, Battlement Mesa Service Association
From: Steve Rippy, Association Manager

Crosswalk / S. Battlement Parkway: Last week the BMSA received \$5,000 in grant funds from the Garfield County/Live Well organization for the newly installed crosswalk at the intersection of Stone Quarry Road and South Battlement Parkway.

2017 BMSA Service Contracts: The following service contracts are up for renewal in 2017; Covenant Enforcement, Website Maintenance, Newsletter Production, Street Litter Pickup, Weed Management. Based upon review by the Contract Review Committee I would make the following recommendations.

Website Maintenance: Vista Works was newly contracted in 2016 to provide the website maintenance service for the BMSA in 2016. BMSA administration has been very impressed with their level of service and would recommend approving a three year contract with Vista Works. Contract Price: \$400 per month / \$4,800 per year

Covenant Enforcement: The committee has recommended approving a one year contract with the Battlement Mesa Metropolitan District to provide covenant enforcement services. Contract Price: \$1,450 per month / \$17,400 per year

Street Litter Pickup: Parkway Services (Ken & Rose Mary Locker) has provided street litter pickup services for many years and BMSA administration has been pleased with their service and would recommend approving a one year contract with Parkway Services. Contract Price: \$1,040 per month / \$12,480 per year

Newsletter Production: Jessica Lynn Studios has recently provided a proposal to provide newsletter production services for the BMSA. The BMSA's previous contractor made a decision to not continue providing the newsletter service and no other contractors provided proposals at the time proposals were requested. Jessica Lynn Studios was referred to the BMSA by Kirby Wynn, Garfield County.
Contract Price: \$560 per month / \$6,720 year

Weed Management: Mountain Lawn, LLC has provided weed management services for the BMSA since 2012 and BMSA administration has been pleased with their service. No other contractors provided bid proposals this year to provide this service. I would recommend approving a one year contract with Mountain Lawn, LLC.
Contract Price: \$5,000 per application / \$15,000 year