

**Minutes of the Board of Directors meeting of Big Elk Meadows Association (BEMA) and the Big Elk Water Association (BEWA).**

Held at the Big Elk Meadows Volunteer Fire Department (BEMVFD)

February 12, 2011

Meeting called to order by Glenn Christensen at 9:00 AM

Note: there was no BOD meeting in January, 2011

In attendance were BOD members: Glenn Christensen, Karen Scharer, Bobbie Heisterkamp, Guy Scoma, Russ Stacey, Kevin Sweeney, Elizabeth Hyde, Roy McCutchen and Jerry Guthrie.

Bobbie has Sam Schwab's proxy.

Glenn has Linda Thule's and Leonard Arnold's proxies

Also in attendance were staff members, Paul Flanagan, Carole Renouf and Nelson Renouf.

Quorum established and the agenda approved.

Minutes of the Annual Meeting and Special BOD meeting held on May 29, 2010 are still not available.

Minutes of the December 11th, BOD meeting presented. Guy moved to approve and Russ seconded. The motion carried with a spelling correction of the name Castle Mienhoft.

Nelson Renouf presented the Operations Administrator's report, which now also includes reporting on BEMVFD a copy of which is available in the office and is made a part of these minutes.

Member Communication: Member Jo Robinson sent a letter requesting help from the Association with problems of erosion undermining the foundation of her house. The board consensus was that this is a problem that falls to the homeowner/property not the community at large.

Glenn reported that Chris Hansen donated a snow blower to the BEMVFD

Secretary's report: Nothing new.

Treasurer's Report: Bobbie's report is made a part of these minutes and is attached as a PDF.

Russ moved to accept the Treasurer's report and Guy seconded. The report was approved.

Long Range Planning: Bobbie had nothing new to report.

Roads Committee: Glenn reported that we had run out of sand and would need to purchase more. There was a question on the sand Larimer provides for use on CR47 and it was noted that Larimer limits how much sand we can get for use on CR47.

Septic Systems: Carole's full report is available in the office.

Water Rights: Roy reported as follows:

Background: When BEM purchased and adjudicated the 12 shares in the Boulder Larimer County Irrigation and Manufacturing Co. (aka ISH) there were a number of assumptions made. One was that the administration of water in Colorado was going to continue to become more stringent and burdensome. The members of BEMA were prescient and wise to make this defensive move when they did. It would be very much more difficult to accomplish the same today without a huge expenditure of resources.

Another was that at some future date we would have to figure out how to get water from Ish reservoir back to the Little Thompson (above the Rockwell head-gate). This was an important piece of the adjudicated decree that governs how we are able to take advantage of our ownership in Ish water. This has not been accomplished and as of today, I do not know if it can be accomplished or at what price.

Never the less, BEMA developed and adjudicated a Plan of Augmentation and defended its various rights. We currently operate under a rather confusing physical and legal environment. Our previous water rights consultant, Ron Blatchley, commented several times during the years I worked with him that BEM has the most complicated augmentation plan in the State.

When I came on the Board in 2002 and became involved with the administration of our water rights and the Augmentation Plan of 1995, BEM had not been doing a good job of working with the State (Division of Water Resources, DWR) or downstream users (specifically, Pinewood Springs). I met with the water commissioner at the time, Fred Renner, and the Division Engineer, Dave Nettles. I developed a level of trust and cooperation that led to a number of relatively calm years where we have been able to enjoy our lakes without much opposition and our reporting requirements have been fairly easy to administer.

Current Situation: Fred Renner retired the same year I left the BEMA BOD. (Being a smarter man than me he has not returned to his post.) Since returning to the BOD in June, I have met with the new Water Commissioner, Jason Smith, and with the Division 1 Auditor, Caren Aguilar. I have also participated in a conference with the Division 1 Engineer who is still Dave Nettles and his assistant Michael Hein along with Caren. Several very official letters have been exchanged and more emails than I care to think about. I have also spent a lot of billable time with our attorney Dan Platt.

It appears that Fred may have been allowing us some leeway on a number of items that the new regime is not inclined to allow. While this may look to some like a simple matter of re-characterizing some of our reporting, adding some measuring devices and implementing some new procedures, nothing could be further from the truth.

What the DWR is insisting on will require an extensive review of all of our decrees, our augmentation plan, procedures and our reporting. This review will need to be done by a water resources engineer. I cannot do it and I seriously doubt that there is anybody in BEM that could figure it out, much less figure out how to administer it moving forward. What I have been doing for the past eight years is simple compared to what we are going to be doing. (I truly hope this is an exaggeration.)

The DWR has given us until February 28th to bring our reporting into compliance. I'm not sure if this can be done, but I have asked three firms to review our situation and give us a proposal for accomplishing this and developing a strategy for administering our water rights moving forward. All three firms have told me that we are

not alone. The word is that the state is implementing much more stringent reporting requirements and a much more strict demand for adherence to decreed augmentation plans.

Of the three firms contacted, two submitted proposals and one declined to work with us.

My estimation is that it is going to run around \$8,000 to get our reporting into compliance. This does not include the \$3,500 to \$4,500 it is going to cost to install the recording devices required by April 1st. My estimation of \$8,000 is just a guess based on my review of the two proposals submitted by Deere and Ault Engineering and by Wright Water Engineering.

On top of this, I anticipate that we will have to look at long term changes to Meadow Lake Dam; the possibility that we will have to move forward with figuring out how to return water to the Little Thompson at the Rockwell headgate; increasing the resources devoted to reporting, especially in the winter months to include the possibility of year round releasing of water; and educating the membership to the fact that our lakes will seldom be as full as they have been.

I need Board approval to commit to one of the firms to begin work immediately. (+/- \$8,000)

I also need final approval to purchase and install the required recording devices. (+/- \$4,000)

On another note we were able to gain final approval on two of our hexennial diligence decrees with no opposition, saving a good deal of time (money). Our conditional right to Canyon Lake has been extended for another six years and our right to divert water to our water plant has been extended plus we have accomplished making 17 GPM "absolute" (17gpm = about 735,000 gallons in a month). We continue to have a conditional right to 1 cfs (=449 gallons per minute). Of course, we need to remember that these decrees are very junior to other rights we compete with, but they are still extremely valuable.

Guy moved to authorize expenditures to cover the cost of retaining a firm to review our water rights and augmentation plan and generate reporting that brings BEM into compliance with our court decrees and current reporting protocols and to authorize the purchase and installation of Sutron recording devices as required by the CDWR. Bobbie seconded the motion and it passed unanimously.

On discussion it was decided to retain Wright Water Engineering.

Lake Health: Glenn discussed his meeting with the State regarding the Alum treatment and the filing of our report. One issue that Glenn is still arguing with the State is the annual requirement to pay \$1,400 even if we are not treating a lake that year. The State argues that it is a ten year permit and the fee has to be paid every year. One option may be to let the permit lapse, hence not pay the fee and reapply in the future if and when we want to do another application of alum.

Water Processing & Distribution: The annual maintenance contract is coming due on the water processing plant micro filtration system with Siemens. The payment will not be due until June. Russ moved to approve renewal. Guy seconded. The motion carried unanimously.

Fire Mitigation/Beetle Kill/Weeds: Nothing new.

Architectural Reviews: Nothing new.

Adopt a tree program: Nothing new

Fuel Tanks: Nothing new

Horse Pasture: Nothing new

Broad Band: Technology keeps changing which probably works in our favor, but nothing new.

Old business

Meadow Lake Dam: Glenn and Leonard met again with John G. to discuss what can be done to bring closure to this situation. Glenn passed out some maps John had produced of BEM water system. Glenn said John's solutions for Meadow Lake Dam were still too far out financially for us to consider it a solution. To be continued

Contract for plowing Lower Hickory Drive: reviewed and accepted. The office will work on getting homeowners/property owners to sign.

New Business:

Frozen Water Lines: It was noted that there have been 13 reported partially or completely frozen water lines. So far all have been service lines, which are the responsibility of the homeowner/property owner, but even so it endangers the whole system and consumes a huge amount of staff time in finding and turning off water to houses that are experiencing broken service lines or pipes within the house. It was noted that every year notices are sent out via email and the Bugle warning people to winterize their houses but every year more pipes freeze and that often it is the same people from year to year. There was discussion about fining repeat offenders and making sure that property owners are charged for staff time as well as water consumed if the break is inside the house or in a service line. One complaint was that often the water meter is inside the house rather than at the point where the service line takes off of the main line. This means that we have no way to meter water lost in the service line before the meter. It was also noted that the shut off valves that are outside the houses have, in some cases, become hidden over the years and we need to come up with a way to know where these are and maintain access to them. To be continued.

Karen Smith foreclosure: The bank holding the property made an offer to pay some past due amounts if BEWA would forgive the \$16,000 tap/membership fee imposed due to the Smith's nonpayment of dues and fees. The BOD rejected this on the basis that the BOD does not have the authority to waive a tap fee and that if it did it would set an unacceptable precedent. It was suggested that the BOD could look at a negotiation that involved the entire amount, but not one that single out specific fees for elimination. Bobbie said she would relay our rejection of the offer to the bank.

Chandler / Johnson Lot transaction: It was noted that the liens against the Chandler partial lot that should have transferred to Johnson will be dropped as the lack of transfer was a clerical error on the part of the State and is being corrected.

HOA registration: Bobbie said she completed the newly required State HOA registration. Cost was \$8.95.

Budget Meeting: Bobbie will host the budget crafting meeting on March 5th with the intention of presenting a first draft to the BOD at the March 12th meeting

Upcoming B&L – Ish annual meeting: To be held February 19th in Berthod. Roy, Glenn and Kevin will attend.

Proof of liability insurance: The subject came up during a discussion with our insurance company that anybody doing work for BEMA or BEWA must either be employed by BEMA or BEWA or they must carry liability insurance. They should also be able to produce proof of insurance and list BEMA/BEWA as also insured or have general liability insurance that specifically covers them working in the field. Companies that send employees to BEM must be able to prove that they have workman's comp insurance.

The regular meeting was adjourned at 11:50 AM

Immediately following the regular meeting the Board of Directors moved to Executive Session.

The next meeting will be March 12th 2011. There will be no BOD meeting in January.

Roy McCutchen, Secretary BEMA/BEWA

<strong>Nelson's Operations Admin. Report  
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OPERATIONS ADMINISTRATOR'S REPORT  
2/12/2011  
Big Elk Meadows

Consolidated paint and chemicals, loaded and hauled off.  
Meeting with D.O.W. about 2 dead ring neck pheasants.  
Radios repaired in Ft. Collins.  
Straighten basketball pole and backboard.  
Install new backboard and net.  
Paint cabin bathroom.  
Cabin bathroom fixture repairs, door lock repair.  
Taking bids for steps and gutter repairs.

Street Dept.  
Plow 20 times. Dec. 20, 2010 Rain turned to ice.  
Sanded 23 times. Pulled 5 vehicles from ditches.  
Ordered 2 loads of sand, piled it with the Backhoe.  
Hauled brine 2 times.  
2001 Sander repaired 5 times in the BEMA Shop and 7 times in the Boulder Shop.  
2003 Sander repaired 2 times in BEMA Shop.  
2001 Truck routine maintenance 4 times. Repaired lights, heater and wipers.  
Bid for 2003 Truck repairs in Lyons.  
Changed Backhoe filters lube and fill fluids.  
Backhoe fuel jelled at -31 Degrees F. Both fuel filters had to be changed out and fuel system bled out.  
#1 Fuel now in the Sand Shed (55 Gal.)  
Replaced 1 gate arm, made spares.  
Constructed stand for the camera computer.  
Located 3 buried culverts, dug up 1.

Water Dept.  
Test Cl2 in the steel tank, drain, flush and fill.  
Chlorine reports - 2 (Dec. and Jan.)  
Turbidity reports - 2 (Dec. and Jan.)  
Bacti tests and TSS tests.  
All Dec. and Jan. tests were passing.  
Chopped frost to expose bleeder valves all opened.  
Two bleeders frozen, no mains frozen.  
14 frozen water services or cabin plumbing systems.  
Worked on U.V. electrical.  
7 Water plant alarms.  
½ day looking for lost water .  
½ day looking for curb stop.  
Double chemical clean on micro filters.  
Clean filter screens.  
Backwash G.A.C.  
Shut off 2 water services.  
3 water services turned on.  
D.M.R.  
Water release.

FIRE DEPT.  
6 Accidents or rescues.  
6 Medical calls.  
1 Wildland fire call.  
Worked on Larimer County Wild Fire Preparedness Plan.  
Electrical problem on 4940.  
Lighting problem on 4920.  
Forest Service burned on 11 days in surrounding areas. (Pinewood Springs, Grizzly Gulch, Lake Pasture area, etc.)  
Shoveled L.Z. 4 times.  
Worked on new snow blower.  
Chain up 4920, 4940, 4931, 4902 & 4952.  
Modify chains on 4952.  
Fire training, Medical training & Ice rescue training.  
Worked on F.D. electrical problem, compressed air system & bay door #3.  
Planned trainings, attended Chief's meeting and V.F.D. B.O.D. meeting.  
Worked on a staff roster.  
Chain saw repair.  
Burned BEMA slash pile, picked up metal and packed dumpster.