

**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)

May 14, 2011

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

In attendance were BOD members: Glenn Christensen, Kevin Sweeney, Roy McCutchen, Leonard Arnold, Jerry Guthrie, Russ Stacey, Sam Schwab, Karen Scharer.

Glenn had proxies from Bobbie Heisterkamp and Guy Scoma.

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

Members of the community Jerry Ahnstedt and Bill Tolle.

Quorum established and the agenda approved.

Minutes of the April 9th, BOD meeting presented. Russ moved to accept the minutes with corrections and Sam seconded. The April 9th minutes were accepted.

Nelson Renouf presented the Operations Admin and BEMVFD a copy of which is available in the office and is made a part of these minutes.

**Member Communication:**

Paul McDaniel requested the use of the horse pasture area for parking for an upcoming wedding to be held at his house on June 25th. He said there could be as many as 135 guests. Russ moved that we make the ball field available and Sam seconded the motion. After a short discussion the motion passed.

Glenn presented an incident report filed by Mark Ledford requesting BEMA to cover the cost of replacing his windshield after it was damaged by flying gravel he claims was caused by Nelson while driving a BEMA vehicle. Leonard moved to deny reimbursement and Sam seconded the motion. After a short discussion during which Russ pointed out that in Colorado, windshield damage caused by road hazards is always the responsibility of the vehicle owner, the motion passed to deny reimbursement.

Secretary's report: Minutes of the March BOD have been posted to the BEMA web site as well as a draft of the May 2010 Annual meeting

Treasurer's Report: Bobbie was not present, but the BOD has her report and it is made a part of these minutes.

Glenn reported that the Smith property at 91 hickory Dr has been purchased and that BEWA received the \$16,000 tap fee due on that property. This payment will allow BEWA to pay the final "fair share" payment to BEMA for the current year.

Long Range Planning: Nothing new to report.

Roads Committee: Leonard commented on the grader tires. He says we should be able to re-groove the tires rather than replacing them, saving several thousand dollars.

Glenn said BEMA will be working on the speed bumps to get them reset for the summer season.

Septic Systems: Carole commented that the family that bought the Smith property is already working on replacing the septic system.

Water Rights: Roy presented the following report to the BOD on progress made:

Water rights report May 14, 2011

We have filed a water administration report for April 2011 that we hope will satisfy the water accounting requirements of the Division of Water Resources (DWR) for the moment. This met a written demand from the DWR to address deficiencies in reporting. The original deadline to comply was March 1, 2011, which was extended to April 1st and then to May 1st.

Compliance included installation of electronic recording devices to our upper and lower flumes, which provide continuous monitoring (15 minute intervals) of inflow and outflow data; at least weekly readings of all staff gauges; a complete review of our water rights from as far back as we can go; and a complete reconstructing of our physical reporting.

Unfortunately, compliance will also require more than what we have done.

The issue now extends to management of our water resources. There are a number of management practices that are still to be resolved. Some are a matter of interpretation, but there is still a major piece of our 1995 water decree that must be addressed. The issue has two parts. There is the issue of satisfying return flow requirements per the 1995 decree and how to preserve water up here by exchanging water with that which is stored in Ish Reservoir, which was a major objective of the 1995 decree.

The issue of "return flows" does not help us in any way. It hurts us, but it cannot help us. In 1995 we agreed to return to the Little Thompson around 13 acre feet of water ever year as part of a very complicated water arrangement. The idea was that the water was to come from a share of water we own, stored in Ish reservoir. Big Elk Meadows never completed the necessary infrastructure to do this. The water commissioner in power until two years ago chose to overlook the fact that we could not comply with this requirement. As they say, "there's a new sheriff in town". I do not know what the ultimate consequences might be if we do not address this issue. It's kind'a like asking who buried the baby in the back yard; people just stare at you.

The issue of exchanging water is fairly simple in theory. We use water up here. That water is called depletion. Depletion includes our domestic water use as well as evaporation that would not have happened if we did not have lakes. The depletion of water results in there being less water in our lakes. If there is not less water in our lakes then we are "storing water out of priority" and we have two ways to deal with that. We can either dump the water out of our lakes immediately to bring the lakes to where they ought to be (this is something we cannot do with our current Meadow Lake dam situation) or we can release water from Ish reservoir to satisfy that amount of water. In practice it is way more complicated and there are plenty of caveats, but that's the essence. And, actually, we have to be able to do both.

To satisfying the "return flows" issue and the "exchange issue", I am negotiating with a subdivision (River Glen) that lies between Ish reservoir and the Little Thompson to use their existing irrigation infrastructure to transfer our water from Ish to the Little Thompson. I realize that my credibility in estimating project cost is

fairly well shot, but I think we can accomplish this for a few thousand dollars and a small monthly fee for them to manage the actual release of water back to the Little Thompson. If it was even possible to accomplish this any other way, I believe it would cost hundreds of thousands of dollars.

This and the rest, which I referred to as water management practices open to interpretation, are going to be an ongoing drain to resources. Reporting is going to require a lot of time and thought; probably a fair amount of debate, also. From a physical standpoint we are going to need to take readings weekly of the Sutron recorders and the staff gauges all year long. I anticipate that managing the reports will require an hour a week plus an extra couple of hours a month as long as we don't get into a debate with the DWR (bank on debate). There are going to be times when we need to draw on Wright Water Engineering to help with figuring this out. Let's hope we don't need to go to court over any of it. I have been told by our attorney that we do not, under any circumstances, want to go back and try to fix our decree. We want to work on interpreting our decree to our benefit.

As to Wright Water Engineering (WWE); our bill with them is over \$30,000. I have an agreement with them that reduces their original billing and caps certain costs, but it is still an insane amount of money. Further, they have agreed not to submit any bills beyond the \$6,500 or so they have billed us already until after June 1st, so we can budget for it in the next fiscal year. They have also agreed to let us spread the payments over the year. Unfortunately, we are not done needing them so on top of what they have billed we need to anticipate more expense.

I think we need to look hard and work aggressively towards obtaining a loan. On top of our engineering, consulting and legal expenses for water rights and Meadow Lake dam we need to fund the infrastructure to affect the return flows and exchange provision of our 1995 decree and the actual work necessary to deal with the deficiencies of Meadow Lake dam, which includes creating a mechanism sufficient to release water at several cfs.

We need to move forward ASAP with the River Glen project. The water commissioner is already pushing us to comply with the return flows issue. They don't care about the exchange piece, they just want their water, but if we could affect an exchange we might have saved about 2.5 acre feet of water that we need to get out of Meadow Lake immediately. Right now I need to bring Meadow Lake down to 9.1 feet whereas it is currently at 9.8 ft. This is as of May 1st. By June 1st that will be 8.9 ft. based on historic depletions. (Note: there are lots of nuances and caveats to the use of River Glen. It's not a clean solution to all of our problems, but it will go a long way towards saving our lakes.)

Leonard discussed progress on engineering for work needed on Meadow Lake Dam. The most likely scenario at this time is to build a siphon system that will bring water over the top of the dam and then plug the existing pipe to prevent further deterioration of the pipe and potential issues with the dam.

Leonard made a motion that we move ahead with the project based on building a siphon system to move water over the top of the dam. Roy seconded the motion. The motion passed. We will move forward with finalizing the engineering, developing a budget and then applying for a Colorado Rural Water loan to finance the dam project as well as engineering for the dam project and work done and to do to secure our water rights.

Lake Health: There will be a Lake Health Committee meeting today at 2PM.

Leonard moved that we reduce the budget for fish stocking to \$5,000 and use \$2,500 of that original budget to help with needed repairs of the pool deck. Russ seconded the motion. In discussion it was pointed out that the lakes are already in pretty good shape as far as fish population. At some point the population may exceed the food supply and create other problems with the lake environment. Further, Meadow Lake will probably need to be drained in the fall to complete the dam project, hence there should be no fish added to Meadow Lake. The motion passed with seven YES votes and one NO vote.

Water Processing & Distribution: Glenn discussed the issue of water meters that do not work resulting in low readings. He noted that there are 5 full timers that have meters that do not work and should be replaced ASAP. These meters will pay for themselves quickly. It was noted that we have already voted at a previous meeting to move ahead with replacing broken meters as funds are available so we should instruct staff to do these five now.

Fire Mitigation/Beetle Kill/Weeds: Nothing new.

Architectural Reviews:

Curt Dreiling submitted a plan to build a shed at 367 Cedar Dr. It was noted that he might already have one shed and as the covenants only allow one shed that would be a problem.

Leon Mason submitted a plan to remove shrubs and install lattice work at 734 Aspen Dr.

Tom Schmidt submitted a plan to enclose his carport at 829 Hemlock Dr.

Leonard moved to approve these three submissions, contingent on checking to see if Dreiling already had one shed. Kevin seconded the motion and it passed unanimously.

[Note: after the meeting it was discovered that Curt Dreiling already had one shed on his property, hence his plan is denied.]

Adopt a tree program: Glenn said we have money to spray or place pheromone packs on 93 trees.

Horse Pasture: Sam said the horse pasture is in need of clean up and he is working on getting that done.

Broad Band: No report

Old business:

Pool Deck Structure: donations are coming in. The estimate to repair is in the \$12,000 range. It appears we have about half of that. There was discussion to find a way to cover the damaged deck area for the summer and do the repair work in the fall after the pool closes for the season.

Caretakers House repairs: we have bids to fix the stairs and gutters, but we need to go back and have them reviewed as they are extremely different.

Guthrie engineering for Meadow Lake Dam and Colorado Rural Water loan for raw water projects was discussed during Water Rights.

New Business:

Status of 91 Hickory Dr was dealt with during Treasurer's report.

We need a new computer for bookkeeping. The current computer is 7-8 years old and our most recent MYOB upgrade will not run on it. We need one that will run Windows 7. Leonard is going to look into getting one from a source he has for purchasing refurbished computers.

We have four lifeguards lined up for this summer.

The regular meeting was adjourned at 11:22 AM

The next meeting will be June 11, 2011.

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

Roy McCutchen, Secretary BEMA/BEWA