**KINGS ROW HOMEOWNERS ASSOCATION**

**ANNUAL MEETING**

Missouri Heights Community League

November 11, 2017

Pursuant to notice, the annual meeting of the Kings Row HOA was held at the Missouri Heights Community League School House, Carbondale, Colorado, on Saturday, November 11th, 2017 beginning at 6:00 pm.

Board Members Present: Carolyn Dahlgren (Pres. and Secretary), Gerald Fielding (Treasurer), Peter May (Vice President) and Mimi Trombatore

Recording Secretary/Administrative Assistant: Krystle Beattie

Professionals: John McDermott (Western Colorado Hydrant and Valve) and Alan Leslie (Environmental Process Control)

Attendees signed in and meeting packets, containing documents **1-17** (Packet Document **No. 1,** agenda), were distributed at a sign-in table. Attendees indicated on an ownership list which owner was authorized to vote for the lot represented, if the lot has multiple owners or is owned by an entity. Mimi Trombatore and Krystle Beattie recorded ownership and voting information.

The following HOA members were present and able to vote, representing 15 lots. The authorized voter for each lot is indicated in parenthesis, below, if more than one owner of a lot was present:

Carolyn Dahlgren Lot 2

Roshni Slali Lot 4

(Josh) and Holly Nelson Lot 6

Jo Ashton Lot 8

(Peter) May and Carol Nieuwenhuizen Lot 12

Page and (Joel) Cook Lot 14

GR Fielding Lot 16

(Tom) and Julie Hazard Lot 17

Sylvia Wendrow Lot 19

Ed Phillips Lot 20

Susan Cuseo Lot 23

Jean Leety Lot 34

(Sauron) Chapman & Jessica Bartlett Lot 37

Mimi and (Tim) Trombatore Lot 43

(Alan) McNeilly and Sandy Francis Lot 48

15 proxies were received:

* + 11 proxies were voted, as authorized, by Carolyn Dahlgren: Lots: 3, 7, 25, 29, 32, 33, 38, 40, 42, 46, 49
	+ 1 proxy received was not eligible to vote
	+ 3 homeowners were present, thus proxies received from them were cancelled.

Carolyn Dahlgren, President announced that attendance achieved more than a quorum (26), and the Annual Meeting was called to order.

**2016 Meeting Minutes**

Carolyn asked that the homeowners present review the 2016 meeting minutes (Packet Document **No. 2**) to help fill in the blanks regarding who made or seconded a motion. It was determined that neither the homeowners nor the Board could recall specific names and that the 2016 meeting minutes, where blank, would be revised without using names. Carolyn asked that members identify themselves this year so that the 2017 minutes will correctly reflect those making and seconding motions.

Carolyn noted a factual mistake in the draft 2016 minutes, as follows:

Page 3, Paragraph 7:

*Enforcement aside, the Association owns the potable water infrastructure, including the curb stop valves, and needs a maintenance program, understanding that lot owners own the service lines from the curb stop to the house.*

Although recorded correctly, the above statement is incorrect according to Board records discovered after the 2016 Annual Meeting. 1991 Board meeting minutes contain a formal vote stating that homeowners own the curb stop valves and service lines into houses, and, the HOA owns everything street side of the curb stop valves, including lines under roads.

Ed Phillips motioned to approve the meeting minutes from November 12, 2016; Tom Hazard second; all were in favor.

**Introduction of New Neighbors and Distribution of Ownership Map**

During 2017:

* Lot 1 – Misunas sold to Sahnow
* Lot 48 – Shanow sold to McNeilly/Francis
* Lot 28 – Graham sold to Sweeny
* Lot 7 – Bader/Aloi – built a new home and hope to move in by Thanksgiving. They will have the first and only metered house in the neighborhood.

Lot 48’s new owners were present and were introduced to the membership.

It was decided that emails and phone numbers will be added to the “owner’s map” included in the packet (Packet Document **No. 3**) and that the map will be distributed to homeowners only. Krystle Beattie will add the information and send the map via email to current homeowners.

**Review of Plat / Open Space**

Carolyn pointed out Kings Row’s 5 open space parcels shown on Packet Document **No.3** and on a subdivision plat displayed on the wall. She explained that the map is a combination of Subdivision Filings No. 1 and 2, approved by Garfield County in the 1970’s, and noted the following:

* As of November 11, 2017 there is no easement across lots 40-44 to connect the two parcels of open space (referred to as the “South Bandit Trail"), but the Board is hopeful that an easement will be granted to the HOA from the 4 lot owners in 2018.
* The “Triangle Parcel” is important to the HOA as it is used for drainage and is part of our County approved open space acreage. The Board has a signed use agreement with the Pinccinati’s to allow limited use of our property for purposes of locating the Pinccinati’s farm implements, windmills and other items.

**President’s Report – 2017 Update**

1. The covenant rewrite was not accomplished in 2017, even though a committee (Molly Bartholow, Patrick Chase, Mimi Trombatore and Carolyn Dahlgren) was appointed in 2015. Domestic water system issues took priority.
2. ARC, 2017: The ARC received 9 applications. The Board approved 7 and denied 1. 1 remains incomplete. The HOA attorney is involved with the incomplete application and the issue is ongoing. There are also two lots with significant landscaping changes in progress. The Board asked the owners to stop work and present ARC applications for Spring, 2018 work.
3. Water Rights (Potable/Domestic): Carolyn reviewed the following:
	1. HOA did not have to go back to court; water rights were not at issue in 2017. Two court orders were signed in late 2016.
	2. “Horse watering:” only well #2 is decreed for “stock watering,” and that use was included in early Well Permits for the well. However, that use is not included in the current Well Permit or on the depletion schedules in Kings Row’s Augmentation Plan. Carolyn referred the membership to the Association’s attorney’s report summarized on page 2 of the 2016 Annual Meeting Minutes. The State Engineer will not amend the Well Permit for well #2 to include stock watering because of lack of inclusion of that use in the Augmentation Plan. The Board decided not to attempt to amend the Augmentation Plan because of anticipated opposition from other water rights’ owners, with whom we litigated in the past, and the expense of litigation. The old court decree regarding well #2 remains in effect, and it is our attorney’s opinion that the decree controls over the current Well Permit. Stock watering is a “decreed use” for that well. In a drought year if there is a “Cameo Call” or a call from others with senior water rights, horse owners may have to haul water. The HOA’s attorney completed this issue as an “administrative” matter with the State Engineer’s Office in 2017. The Board does not expect to incur further attorney’s fees in 2018 on this matter.
4. Files
	1. Connie Wood and Carolyn Dahlgren are working to establish a hard copy file system. Kings Row’s “institutional memory” has gaps due to lost paper, per Bill Phillips, and a computer crash during the 1990’s.
	2. Carolyn Dahlgren thanked Carol Nieuwenhuizen, Connie Wood and Jo Ashton for going through files. Carolyn also thanked an earlier Board for collecting all available paper files and storing them in the pump house.
5. Schematic of Ditch System: Carolyn referred to Packet Documents Nos. **4 and 5** and pointed out maps on the wall depicting the Spring Creek Reservoir and the Middle Ditch, adding:
	1. Kings Row inherited Fender shares in a ditch company when the subdivision was developed. For years, Kings Row did not use and Lee Leavenworth managed leasing of our shares. Then in mid 1990’s Kings Row developed a Master Plan for an irrigation system. Referring to an “As Build” map of the system on the wall, Carolyn showed the membership the location of the head gate and mains. Different Association members, primarily J.D. Sturgill and, now, Tom Hazard, have notated the map over the years as they found out what is in the ground and not just as shown on the Master Plan.
	2. Kings Row does not own the ditch water. The Association, essentially, “rents” the water by owning shares in the ditch company. Representatives of Kings Row attend the ditch company annual meetings. Tom Hazard is the primary contact between the ditch company’s Ditch Captain and Kings Row.
	3. Lot owners are not permitted to take water directly from the ditch; owners must use Kings Row’s underground ditch water mains and individual lot Irrigation Valves.
	4. Homeowners are not allowed to place anything across or in the ditch without written approval from the ditch company that owns the ditch, Missouri Heights Mountain Meadows Irrigation Company. This rule applies to something as small as an Invisible Fence for dogs, as well as something as large as a bridge.
6. MHMMIC Middle Ditch Clean Up
	1. Lot 9 – In May MHMMIC did significant work on the Middle Ditch as it flows through Lot 9. MHMMIC had a cost overage of $1,500.00 and asked the HOA to pay for ½ of the overage (750), on top of what we had already paid as our percentage share of the budgeted amount.
	2. The Board determined that the ditch cleanup primarily benefited downstream ditch users, as Kings Row’s shares are piped from the head gate. Consistent with MHMMIC Bylaws, the Board sent MHMMIC a check representing 1/11 of the overage because Kings Row is one of eleven users of the Middle Ditch. The Board also asked that MHMMIC re-vegetate the banks of the ditch. MHMMIC sent the check back and did not re-vegetate.
7. Potable Water – 3 potential enforcement actions by the State: Carolyn referred the membership to Packet Document **No. 6**, a summary of our domestic/potable water system.
	1. Design Review – Well #4
		1. The required “Water System Capacity Development Plan for Water System Improvements” was completed and filed correctly with Colorado Department of Public Health and Environment when well #3 was drilled and tested in 2006. However, in 2011, when well #4 was dug, the Association did not provide CDPHE with an updated “Design Review,” new name for the same sort of report. All Well Permit filings for #4 were completed with the State Engineer’s Office, Colorado, Department of Natural Resources. Apparently, the Board did not realize that the 2 State departments required 2 different filings.
		2. CDPHE discovered the missing plan during a “sanitary survey,” a meeting on-site at the pump house in 2014. As stated in Packet Document **No. 7** (page 2 of this year’s Water Quality Report), per CDPHE, “a new well 4 was drilled and put on line without prior CDPHE approval. An engineer will design a plan to submit to CPDHE.”
		3. Zancanella and Associations, Kings Row’s engineer of record, submitted the required design review in late August, 2017. The State has not yet responded and we may not hear until 2018.
		4. In 2018, the HOA will likely be required to install a new “Entry Point” (Packet Documents **Nos. 8 and 9**, showing piping layout and schematic of wells, pump house and storage tank) in the pump house, for sampling water flowing through the distribution line that runs from the water tank to the road. The entry point is essentially a faucet and will allow EPC to sample water that has been chlorinated in the water tank. This project will cost more than $2,000.00.
		5. Packet Document **No. 10** is Zancanella’s cover letter for the Design Review. The letter notes two other changes that may be required, thread less taps and a flap valve on the tank overflow. If required by the State, EPC can make the changes during maintenance of our system.
		6. The State CDPHE may also require more than the usual testing of raw water from well #4. The good news is that State has not required us to take well #4 off-line and use only 2 and 3.
		7. Carolyn thanked Lee Leavenworth, Dick Wells, and Jo Aston for helping her figure out what happened in 2006 and later, with well #3 and the pump house, and in 2011 with well #4.
	2. “Notice of Deficiencies for Kings Row HOA” (Packet Document **No. 11**) from the Department of Natural Resource, Division of Water Resources/State Engineer’s Office:
		1. At the end of each year, EPC sends the SEO forms showing how much water each well pumped.
		2. Every year, the SEO, as the administer of Kings Row’s water rights and Augmentation Plan, requires the HOA - not EPC - to provide data on the number of homes utilizing evapotranspiration systems vs. septic systems (Packet Document **No.** **13** contains basic information on the two types of systems.) and the number of square feet of potable water used in the subdivision to water lawns and gardens. Per our Court decrees, septic system and irrigation square footage have to be reported at the end of each year because each represents a “consumptive use” of water.
		3. The Board surveyed lot owners in 2008 on irrigation usage and hired the Association’s engineering firm to collate the information on septic permits. The Board surveyed the membership again in 2017 to update the 2008 information on both topics. The Board has collected most of the septic permits from Garfield and Eagle County and has also asked the ARC to include information on septic and irrigation changes when they update their forms.
		4. Kings Row Association’s attorney responded to the SEO this year. Jeff’s letter, dated 6/22/17, is included as Packet Document **No. 12**.
		5. Someone has to keep up with changes every year. The Board thinks that the Association should not have to incur the expense of hiring the engineer and/or lawyer to do this. However, the Association will have to hire someone to resurvey the membership and pull permits if no one volunteers to update the records.
	3. Water Tank: In 2015 the water tank was sandblasted and repainted. The painter used state required materials, as specified in the contract. The Association completed the project just before the State regulations changed to require a permit. Kings Row narrowly escaped an enforcement action on this matter.
8. Tank Telemetry Repair. Lightening strikes required repair and replacement of the transducer in the tank, surge protectors on the distribution line from the tank to the main, and work on the automatic dialer in the Pump House. The persons listed on the auto dialer were called multiple times with false alarms, requiring visits to the pump house by Carolyn and EPC to look for an overflow; then the tank did overflow and the alarm system did not work. Carolyn thanked Ed DeVencenzi for letting her know the tank was overflowing when the transducer was not sending the overflow signal to the pump house. The Board used the money the membership approved in 2016, for possible replacement of well #2’s pump in 2017, for parts and to cover some of the work by Environmental Process Control and Western Colorado Control Specialties. The manufacturer of the transducer reimbursed $800.00, warranty coverage.
9. Potable Water – Turned Off 3x’s in 2017
	1. In order to provide water service to the Bader’s new home, the Association had to replace the “saddle tap” on the water main across the street from Lot 7, on the south side of Kings Row. The excavation uncovered the tap for Lot 8, as well as Lot 7; both saddles were replaced. Carolyn showed the membership one of the rusted saddles dug up, as an example of what may be underground all around the subdivision. The problem was discovered because the Bader’s curb stop valve, on the north side of the street, worked but they could not get water to flow from the main. The cost to the Association was less than it could have been because the Bader’s got the Garfield County Permit for the road cut and paid for the asphalt repair.
	2. The second and third system turn offs were related to foundation repair and installation of a curb stop valve on Lot 49. Apparently, the house was built without installation of the valve. The owner of Lot 49 reimbursed the Association for the costs of turning the system off and back on, over $1,000.00.
	3. Some residents reported that there was dirt in the water after the shut offs. Other residents reported problems with pressure pumps and water softeners.
	4. The Association needs a set of “best practices” for water shut off events and when fire hydrants, curb stop valves and gate valves are exercised. Plus, it is not good to stress our 1970’s mains and valves by turning off the entire system; Kings Row needs gate valves that will allow shut off of portions of the system.
	5. Therefore, the Board continues with the locate/map project approved in the 2016 budget. The HOA hired John McDermott (Western Colorado Valves and Hydrants) to locate and map the curb stop valves of all 49 lots within the HOA and the gate valves in the roadways. Carolyn introduced John and said that he would give us an update on his work. She also referred the membership to maps on the wall showing the age of each house and, thus, the probable age of each curb stop valve, and, the number of lots for which a valve has been located.

**Potable Water System Locate & Map – John McDermott**

John McDermott made the following report:

* There are no “as builds” of the potable water system and the 1974 preliminary plan map (Packet Document **No. 14** and on the wall) does not coincide with what he has found.
* As of November 11, 2017, he has 11 more curb stop valves to locate. He found three gate valves at the north end of Prince Drive and two at the east end, none on the distribution line from the tank, so far. It is imperative for the HOA to locate all of the gate valves and be able to turn off sections of the potable water system without having to turn off the entire system.
* In 2018 John will:
1. Find the rest of the main line gate valves and exercise them. HOA needs a schedule for exercising the gate valves and the system turn off valve at the tank.
2. Locate the remaining 11 curb stop valves. Owners need to exercise the curb stop valves at least once a year.
3. Test the fire hydrants in the subdivision. He recommends we send a copy of his report to the fire department when he opens the hydrants and flushes the system.
* John stressed the importance of maintaining the underground infrastructure and exercising all of the valves, telling the membership “If you don’t take care of your system, it will take care of you!”

**Cross Connection & Back Flow – Alan Leslie**

Carolyn introduced Alan Leslie of Environmental Process Control as Kings Row’s “Responsible Operator in Charge,” a title given to him by the State. Carolyn noted that the meeting packet contains two documents relevant to Alan’s discussion, the cover sheet “BPCCC Annual Report,” **No. 15,** and a list of certified back flow inspectors, **No. 16**.

Carolyn reminded the membership of Tom Hazard’s 2016 discussion of back flow prevention (pages 2 and 3 of last year’s Annual Meeting Minutes) and referred the membership to a large format spreadsheet displayed on the wall. The spreadsheet shows collated information from the Board’s survey regarding types of sprinkler systems, amount of potable water used for irrigation and other information. She reported that there are 9 lots whose owners have not responded to the survey and that Tom will contact the 9 lot owners and update the spreadsheet.

Alan gave the following report:

February 1, 2016, CDPHE began enforcing cross connection and backflow regulations. All potable water irrigation systems must have a back flow preventer device that is tested annually by a state certified inspector (Packet Document N**o. 16)**. The Board must provide CDPHE, through Alan, with proof of installation and certificates of testing for back flow preventers for all affected lots. EPC has to provide CDPHE with a report (Packet Document N**o. 15**) regarding Kings Row by May 1st, 2018.

The HOA is a state regulated “water provider” and may be liable in the event of a backflow. Alan recommends, therefore, putting a back flow preventer on every tap, whether or not there are sprinklers on the lot, because sprinkler systems are not the only source of a contaminated back flow. He gave the example of Aspen Meadows where his father, Scott Leslie, lives. That subdivision has potable irrigation, no ditch water. Alan said a water softener in one house blew media (“salmon eggs” in the media tank) to all other houses in a backflow event.

After Alan’s presentation, Carolyn told the membership that the Board, based on EPC’s understanding of State enforcement, is working on a Resolution that states if a homeowner with a dual potable and irrigation system does not provide the certificate of inspection, the HOA will lock the homeowner out of the ditch system. Lots with underground potable sprinkler systems – without a dual system – may be subject to fines.

Tom Hazard and Carolyn emphasized that State regulatory oversight is more intense than when the Board reported to the membership in 2015 and 2016. Specifically, as Alan reported, the State now requires all lots with irrigation systems, not just dual domestic/ditch systems, to have back flow preventers.

**Fire**

There was a grass fire on lot 1, the home of Adam Sahnow. Adam’s neighbor, Tim Herriod called 9-1-1. Owners got the fire controlled and did not have to open a hydrant or call the fire department. Packet Document **No. 17** is a summary of Kings Row’s 12-hydrant fire protection system. Carbondale and Rural Fire Protection District’s Missouri Heights station is close to Kings Row, lowering owners’ insurance premiums, at least with some companies.

**Reserve Study**

The Association completed a Reserve Study in 2015. The study was complimentary of Kings Row and stated that the Association is funded at 171%. However, the study did not take into account underground pipes and valves, expensive items to replace with a big impact on budget. Per Alan Leslie, the main line pipe seems to be in good condition, but a capital improvement plan is needed as the system is aging. GR Fielding would like to work with Alan to establish capital and maintenance schedules.

**Irrigation Ditch Water System – Tom Hazard**

When Tom Hazard blew out the irrigation pipes for winter 2016 he noticed that there was potable water in the irrigation lines. When he blew out the irrigation pipes for 2017 there was no potable water present in the irrigation lines.

The HOA owns the irrigation valves and there are 47 service valves (2 lots are not connected) that need to be replaced over the next 3-5 years. Tom estimates the cost to be about $100-150/valve. We also need at least one drain at a low spot and all individual valves need valve boxes or lids. Tom will provide a maintenance and capital improvement plan to the Board. Replacement of irrigation system parts is less expensive than potable system replacement because the pipes are close to the surface, reducing excavation costs.

**Retiring Board/New Board Members**

Carolyn Dahlgren would like to step down as the Board President and become the Board Secretary. Peter May, Mimi Trombatore and GR Fielding are retiring from the Board as of November 11, 2017. Jo Ashton stated that she could be more active later in 2018.\*

Julie Hazard, Sauron Chapman and Josh Nelson\*\* volunteered to be on the Board.

**Budget and Property/HOA Management**

The Board proposed the hiring of a management firm, which will affect the 2018 budget. It is difficult for a volunteer Board to manage the Association without professional assistance. As regulations increase, needed volunteer hours will increase. The Board feels a manager would benefit the Association, especially in terms of staying on track with the maintenance of Kings Row’s more than 40 year old domestic water system and 20+ year old ditch water system, and, with State regulatory requirements and reporting.

The Board will work on getting at least 3 bids from potential Association managers, if the membership approves hiring. The one bid the Board obtained as of November 11, 2017, in order to have an estimate for the Annual Meeting budget discussion, was in the amount of $9,600.00/year.

The Revenue Ruling 70-604 form and a budget sheet were handed out. The budget sheet includes the 2017 budget, approved at the 2016 Annual Meeting, and actual expenditures through November 10, 2017. The document also includes several options for membership approval for the 2018 Association Budget. Carolyn reminded the membership that our HOA fees remain relatively low because Kings Row does not have subdivision amenities like a golf course and tennis courts. Also, we have public roads maintained by Garfield County taxes, not HOA fees.

GR Fielding, Association Treasurer, reviewed the 2017 “Water System Maintenance” and “Professional & Legal Fees” line item overages. He explained that the Board had to use reserves to cover fees for Zancanella, EPC, Attorney, and Western Colorado Electric, as we discussed, and the excavation and asphalt costs related to finding the gate valves on the east end of Prince Drive and the main excavation for Lot 7. (As discussed, some of the telemetry repairs were within budget because we did not have to replace the pump on well #2.)

GR then reviewed the 2018 columns on the budget sheet. He explained that some columns assume hiring a manager and some do not include the estimated cost of $9,600.00. The Association has to vote on whether or not to hire.

GR then discussed: (1) reallocation of dues without a dues increase, less money into reserves and more into operating; and (2) an increase in fees of $50.00 a quarter per lot (additional $200.00 per year) to help cover the cost of a manager, without reallocation of funds among the operating fund and the two reserve funds. With a dues increase from 325 to 375 per quarter, the Association can continue to contribute the same amounts into the reserves as in 2017 ($35.00 to irrigation reserves and $110.00 to maintenance reserves) and hire a manager within an operating budget that would be increased from 180.00 to 230.00 per quarter per lot.

After discussion,
 Tom Hazard motioned to allow the Board to find and hire a property manager; Roshni Slali second; all were in favor; and

 Joel Cook motioned to increase the dues to $375.00/quarter ($1500 a year) and accept the 2018 Budget with HOA Management - as a new expense line item - and dues increase, as shown on column 4 of the budget handout; Tom Hazard second; all were in favor.

Jo Ashton, Roshni Slali and Tom Hazard volunteered to interview property management companies with Carolyn Dahlgren.

**Adjournment**

Joel Cook motioned to adjourn at 8:51 pm; Alan McNeilly second; all were in favor.

*Updates to draft minutes:*

 *\*Jo Ashton advised Carolyn Dahlgren in December of 2017 that she is willing to serve on the Board starting January 2018. \*\* Josh Nelson changed his mind and did not join the Board.*