

ELK SPRINGS HOMEOWNERS ASSOCIATION, INC.
April 20, 2009
Homeowners Meeting

The meeting was held at the Mason and Morse office in Carbondale, CO. Gary McElwee called the meeting to order at 7:02 p.m. In attendance: Gary McElwee, Tiffany Singleton, Ray Sauvey, Yalonda Long, Becky Ciani, Bob Anderson, Ajka and Bill Wallace, Ruth and Jim Barnes, Gary and Kathy Morary, Paul and Carlota Klimas, Brandon Watson, Jerry and Sydney Hays, John and Julie Fuller, Shane and Bette Ortell and Norm Steppe.

1) Presentation by Scott and Allen Leslie of Environmental Process Control

Scott and Allen Leslie own and operate Environmental Process Control. Scott and Allen maintain and treat 32 water and waste water systems in the Roaring Fork Valley including Elk Springs' system, Red Canyon Water Company. Scott first spoke about the 2008 Red Canyon Water quality report and how the water in Elk Springs is treated solely with Chlorine at this time. Due to some hard water staining issues experienced by the homeowners, Scott suggested that Red Canyon Water Company may wish to treat the entire water system with Polyphosphates, also known as sequestering the water. This treatment surrounds the minerals in the water with a soft coating so less of these minerals would stick to appliances and fixtures (which create problems such as rings in toilet bowls, build-up on shower heads, etc). This treatment would not eliminate the hard water problem completely, but the mineral residue would be easier to clean off. The cost of this treatment would be \$800.00 for one 35-gallon drum and the initial installation for the system would cost approximately \$400.00. Each 35-gallon drum of polyphosphate would last approximately 6 weeks based on the current water usage of Elk Springs. At this time the entire subdivision is using 10% capacity of the water system and we are at approximately 30% build out. As the capacity and usage increase, the drums would be emptied quicker and have to be purchased more often. Polyphosphate can also be bought by homeowners independently and used to treat individual homes. This chemical can be purchased at Western Water Treatment in Rifle. Scott recommends only using this on an individual basis after receiving appropriate direction and guides for dilution. Scott recommends that homeowners using water softeners allow it only to soften their hot water and not both cold and hot. This is recommended for several reasons, but mainly to save on the amount of salt being put into the Spring Valley Sanitation District, which is the waste treatment facility servicing the Elk Springs subdivision. Scott also recommended using a Potassium salt as opposed to a Sodium salt for your water softeners. There are significant detrimental environmental consequences to treating the water with Polyphosphates. The risk of permanent damage to the Spring Valley aquifer should not be underestimated. Homeowners have other options available for softening water in their homes other than salt. Systems such as new electro-conditioner systems and electro-magnetic

treating systems are currently available. According to Scott, these two options have not been researched enough to know the true results.

Scott recommends that homeowners drain their hot water tanks twice a year to prevent sediment build-up at the bottom of their tanks. When the sediment gets too thick, the heating coils have a very difficult time heating the water and can burn out.

Gary explained there is currently \$86,000.00 in the homeowners' water reserve account. This amount continues to increase every year with a small percentage of the annual homeowners dues going into this account plus an additional \$2000 annual contribution from the developer. Bi-annual water dues and supplemental water dues are deposited into the Red Canyon Water Company general operating account, which currently pays for maintenance of the water equipment, chemicals and administration costs.

Spring Valley Sanitation District is the sewer plant for the Elk Springs subdivision. Scott Leslie maintains and treats this sanitation plant. Most residents install a grinder pump for their sewer systems for proper waste and wastewater disposal. The grinder pumps are purchased at Dodson Engineering and are serviced by ABC Soderberg. Scott recommends that when purchasing a grinder pump from Dodson Engineering, homeowners purchase a dual pump. Allen spoke about care of the grinder pumps and provided handouts for any interested homeowner to pick up at the office.

2) Minutes

The October 20, 2008 minutes were approved with no discussion.

3) Accounting Matters

There were no questions regarding the Balance Sheet. The 2009 Budget was approved with no discussion.

4) Old Business

Gary spoke about the Red Canyon Water Company management agreement and stated that the agreement is currently in place from January 1st until December 31st of each year with Elk Springs LLC still managing the water company. This management agreement will continue automatically each year if either party does not give written notice to terminate the management agreement. When the Elk Springs Homeowners Association takes over, there will be a new management agreement put in place.

The transition is still several lot sales away. The developer must sell the equivalent of all of the remaining lots in Filing 8 and five lots in Filing 9 before the transition from developer to the HOA takes place. Elk Springs LLC has 12 lots for sale in Filing 8.

5) New Business

Charlie Lueders is no longer with Elk Springs.

Gary introduced the new ranch foreman, Ray Sauvey, to the attendees of the meeting. Many residents of Elk Springs know Ray because he owned the fireplace store on hwy 82. He is a fellow volunteer firefighter with Carbondale fire and will be a great addition to the team. Please stop and introduce yourself to Ray if you see him working on the ranch. You will see Ray driving a 2000 Ford F250. This is the new ranch truck recently purchased by the developer, which the HOA may eventually own.

Elk springs homeowners, Jerry and Sydney Hays presented information to the homeowners regarding an additional power pole that was erected by Holy Cross Electric in their (Holy Cross Electric's) Easement right of way. The Hays' feel as though the additional power pole and the existing power pole are impeding their views of Mt. Sopris. Gary explained to the homeowners present that the additional pole was put in place by Holy Cross Electric in their Easement right of way to help stabilize the weight of the existing power lines. Gary also stated that when a utility company has an Easement right of way, the subdivision has no say in what they choose to do with the easement.

There was a homeowner question regarding if and when we will have road repairs done. Gary explained that at this time there is still a considerable amount of construction traffic and to re-chip and seal the roads would thus be a waste of money. We will be patching the roads where there is damage and cleaning up the roads this spring and summer. One homeowner commented on how good the chip and seal has held up with the amount of construction traffic we've had in the subdivision in the past few years. Another homeowner suggested asphalt paving small sections of the subdivision each year until the entire subdivision was paved. Gary explained that asphalt is very expensive and that it wouldn't be a cost effective choice to upgrade the roads in that manner. At this time, the homeowners association has \$166,400.00 in the road reserve account. When Gary hired GMCO to re-chip and seal filings 1-5 three years ago, it cost the homeowners association \$104,000.00. Prior to having them re-chip and sealed, Gary contacted asphalt companies for bids and to asphalt filings 1-5. The bids came in near \$400,000.00.

This spring we will be adding four additional speed bumps throughout the subdivision with one being placed very close to the front entrance. The others will be placed throughout the subdivision with at least two in filings 7 and 8.

Gary read a letter from an out of town lot owner, Susan Rhea. Susan expressed concern on several issues, all of which have been addressed in previous homeowners meetings. All members present had no further comments.

As there was no further business, the meeting was adjourned at 8:29 p.m.