



Annual Budget Meeting February 25th, 2021

The Bent Tree Property Owners Association annual budget meeting will be Thursday February 25, 2021 at 6:30pm. It will be held at The Woodmoor Barn, 1691 Woodmoor Drive, Monument, CO 80132. Detailed information is at the link below with the agenda and the budget. Please attend if possible.

<http://btpoa.net/2021-budget-handout>

The Woodmoor Barn Community Center maximum capacity under current Covid-19 restrictions is 25 people. Therefore, it is very important you let us know if you're going to attend this meeting.

Please RSVP to board@btpoa.net no later than Monday February 22, 2021.

If you show up on Thursday Feb 25 without an RSVP to ensure a spot at the meeting, you might not be able join us.



Bent Tree Property Owners' Association, Inc.
P.O. Box 2631
Monument, Colorado 80132-2631
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**2021 Budget Meeting Agenda
Thursday, February 25th, 2021
The Barn
1691 Woodmoor Drive, Monument**

Since we have many items to cover, with the exception of those giving reports, all other speakers will be limited to two (2) minutes each. No one will be allowed to speak a second time on a topic until all who want to speak on the topic have had a chance to speak.

- 1) Determination of quorum
- 2) Call to order, introductions, conduct of the meeting
- 3) Review/approve prior annual meeting minutes
- 4) Review proposal to purchase water rights under Bent Tree from Northgate Co. and suggested method of payment
- 5) Financial report, budget discussion and approval
- 6) Meeting schedule
 - a. Proposed annual meeting date: Thursday, Sept. 16th, 2021, 6:30 p.m.
 - b. Board Meetings: First or second Tuesday of each month, 6:30 pm, Monument Sanitation District board room, 130 Second Street, Monument.
- 7) Any other business
- 8) Adjourn

Water Rights Available for Bent Tree Purchase

On January 5, 2021 we received an offer from Northgate Co. LLP to purchase Northgate's remaining water rights to the Dawson aquifer under our Bent Tree subdivision. While the contract to purchase the water rights is straight forward and between parties we know, the technical and legal aspects of the water rights can be confusing.

The Bent Tree board strongly recommends moving forward with purchasing the water rights. The purchase cost is \$89,950, which is \$350 per lot.

Below discussion gives some background about the proposed water rights purchase:

1. Some background about Bent Tree owners' water rights
2. Explain why these water rights have been offered to Bent Tree
3. Address some risks and benefits about these water rights

Background

- Northgate Company (Northgate) at one time owned all of the land that now comprises the Bent Tree subdivision. During its ownership, Northgate owned the rights to the water in the four aquifers under our land (from shallowest to deepest, they are the Dawson, Denver, Arapahoe, and Laramie/Fox Hills). When it was decided to develop Bent Tree, Northgate conveyed the land to Arrowhead Development Company (ADC), but Northgate retained all of the water rights.
- In 1994, Northgate conveyed the necessary water rights to ADC to develop Bent Tree as required by agreement with the State Water Court. ADC then conveyed the water rights to the BTPOA. ***To clarify, Northgate conveyed the required water rights to develop Bent Tree, not all the water rights under Bent Tree.***
- All of our wells that are used for the water supply of our individual homes tap into the top level Dawson aquifer. The water rights being offered for sale to Bent Tree by Northgate are all of the remaining rights to the Dawson aquifer under Bent Tree.

Why have these water rights been offered to Bent Tree?

- Bent Tree's developers Ken Barber and Bob Moore (who formed Northgate and ADC) are now deceased and their successors wish to sell Northgate's assets so they can liquidate the company.

Risks & Benefits

- These water rights have been offered to Bent Tree because the current Northgate owners feel Bent Tree is the best party to own these water rights in perpetuity. This purchase would increase Bent Tree's nontributary water rights to the Dawson aquifer from about 24 acre feet per year currently by roughly 5 times to about 123 acre feet per year.
- Because of the long term relationship between Northgate and Bent Tree, the sales price is below market value with a sale price to Bent Tree of \$89,950 or \$350 per lot. The board's recommendation of how to pay for this is to use \$49,975 of Bent Tree reserve funds to pay half, and have a special one time assessment of \$175 per lot to pay the remaining \$49,975.
- Risk: If a party other than Bent Tree were to purchase the water rights, it is possible the water under Bent Tree could be fully exploited to the extent allowed under applicable regulations, and impact the ability of residents' wells to supply water needed for each household.
- Benefit: If Bent Tree were to purchase the water rights, there is an increased probability there would not be future water supply problems in Bent Tree.

In summary, Bent Tree has received an extremely good offer to purchase these water rights. The BTPOA board strongly recommends purchasing these water rights in order to increase the probability that current and future Bent Tree residents will not have water supply problems.

BTPOA 2020 BALANCE SHEET

Assets: Balances as of 2/4/21

CD 1 year	\$ 39,888	0.35% Matures 11/30/2021
CD 1 year	\$ 39,831	0.35% Matures 5/29/2021
CD Total	\$ 79,719	
Working	\$ 45,383	
Total	\$ 125,102	

Liabilities and Owner Equity

Plan Review	\$ 900
Owner Equity	\$ 124,202
Total	\$ 125,102

Historical Perspective

Balances	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	2/4/2021
CD #1	\$ 38,280	\$ 38,414	\$ 38,549	\$ 38,684	\$ 38,820	\$ 38,956	\$ 39,123	\$ 39,516	\$ 39,888	\$ 39,888
CD #2	\$ 38,163	\$ 38,297	\$ 38,431	\$ 38,566	\$ 38,701	\$ 38,837	\$ 39,116	\$ 39,508	\$ 39,831	\$ 39,831
Working	\$ 6,149	\$ 1,814	\$ 13,438	\$ 6,873	\$ 18,794	\$ 21,807	\$ 20,841	\$ 22,911	\$ 23,748	\$ 45,383
Total	\$ 82,592	\$ 78,526	\$ 90,419	\$ 84,123	\$ 96,316	\$ 99,600	\$ 99,079	\$ 101,935	\$ 103,467	\$ 125,102
Increase (Decrease)	\$ 524	\$ (4,067)	\$ 11,893	\$ (6,296)	\$ 12,193	\$ 3,284	\$ (521)	\$ 2,856	\$ 1,532	\$ 21,635
CD interest earned	\$ 403	\$ 268	\$ 269	\$ 270	\$ 271	\$ 272	\$ 446	\$ 785	\$ 695	\$ 0
CD interest rate	0.53%	0.35%	0.35%	0.35%	0.35%	0.35%	0.57%	1.00%	0.88%	0.00%

BTPOA 2021 BUDGET VS. REVENUE AND EXPENSES

Expense Category	2020			2021			Description	% Budget
	Budget	12/31/2020	Diff	Budget	2/4/2021	Diff		
Architectural Control	\$ 100		\$ (100)	\$ 100		\$ (100)	ACC committee expenses	0%
Bank Charges	\$ 50	\$ 8	\$ (43)	\$ 50	\$ 5	\$ (46)	Service fees, return check charges, etc.	9%
Beautification & Trails	\$ 4,500	\$ 2,385	\$ (2,115)	\$ 3,500		\$ (3,500)	Maintenance of entrances, trails, roadside	0%
Dues & Subscriptions	\$ 175	\$ 188	\$ 13	\$ 200		\$ (200)	NEPCO, HOA Registration, CO Corp. Report	0%
Flood Control	\$ 100		\$ (100)	\$ 100		\$ (100)	Engineer's review plus maintenance work	0%
Insurance	\$ 3,000	\$ 2,913	\$ (87)	\$ 3,500		\$ (3,500)	Gen. liability, officers and directors liability	0%
Legal and Professional	\$ 1,000	\$ 1,648	\$ 648	\$ 1,000		\$ (1,000)	Attorney time, tax return preparation	0%
Meetings	\$ 600	\$ 394	\$ (206)	\$ 600	\$ 85	\$ (515)	Meeting room, refreshments, door prizes	14%
Plan review refunds	\$ 1,350	\$ -	\$ (1,350)	\$ 900		\$ (900)	Refund of plan review fees	0%
Printing, Mailing & Supplies	\$ 800	\$ 234	\$ (566)	\$ 800	\$ 248	\$ (552)	BT Log, directory, notices, office supplies	31%
Secretarial/Admin Support	\$ 10,000	\$ 6,849	\$ (3,151)	\$ 6,600	\$ 806	\$ (5,794)	Administrative assistance	12%
Water Reporting Administrative		\$ 3,331	\$ 3,331	\$ 3,400		\$ (3,400)	Labor costs to prepare water report	0%
Water Augmentation	\$ 5,700	\$ 5,760	\$ 60	\$ 5,700	\$ 5,078	\$ (3,400)	BTPOA share in Great Divide Water Company	89%
Taxes	\$ 100	\$ 237	\$ 137	\$ 250		\$ (250)	Income taxes	0%
Utilities	\$ 450	\$ 443	\$ (7)	\$ 450	\$ 39	\$ (411)	Lights at Scottswood and Highway 105	9%
Web Site	\$ 225	\$ 24	\$ (201)	\$ 100		\$ (100)	Web site hosting, software tools, etc.	0%
Welcoming Committee	\$ 250		\$ (250)	\$ 250		\$ (250)	Printing or purchasing materials, birdhouses	0%
Total Annual Expense	\$ 28,400	\$ 24,412	\$ (3,988)	\$ 27,500	\$ 6,260	\$ (21,240)		23%
Reserve Website Redevelopment	\$ 5,000		\$ (5,000)			\$ -	Redo website allow owner directory & water entry	
Reserve Trail Improvement	\$ 2,000	\$ 955	\$ (1,045)			\$ -	Trail improvements	
Reserve Tree Inspection	\$ 1,700	\$ 1,776	\$ 76			\$ -	Forestry Scheduled Inspection	
Reserve Legal Fees	\$ 12,000	\$ 6,290	\$ (5,710)	\$ 12,000		\$ (12,000)	Water rights purchase and explore possibility	0%
			\$ -			\$ -	of changing water agreement with state	
½ Water Rights Purchase from reserves	\$ -		\$ -	\$ 44,975		\$ (44,975)	\$5,087 from working + \$39,888 from CD	0%
½ Water Rights Purchase Special Assessment	\$ -		\$ -	\$ 44,975		\$ (44,975)	\$175 per lot one time special assessment	0%
Total Expenditures	\$ 49,100	\$ 33,433	\$ (15,667)	\$ 129,450	\$ 6,260	\$ (123,190)		
Revenue Category	Budget	12/31/2020	Diff	Budget	2/4/2021	Diff	Description	% Budget
Dues (incl late fees)	\$ 30,840	\$ 31,470	\$ 630	\$ 30,840	\$ 27,895	\$ (2,945)	257 lots x \$120 per lot + late fees	90%
HOA Statements	\$ 1,000	\$ 2,250	\$ 1,250	\$ 1,000		\$ (1,000)	\$100 statement fee for sale/refinance	0%
Plan Review Fees	\$ 100	\$ 100	\$ -	\$ 200		\$ (200)	Fee portion	0%
Plan Review Fees Refundable	\$ 900	\$ 450	\$ (450)	\$ 900		\$ (900)	Refundable portion	0%
Interest	\$ 445	\$ 695	\$ 250	\$ 445		\$ (445)	Interest on Reserve CDs	0%
Fines			\$ -			\$ -	Fines for Covenant Violations	
Special Assessment for water rights purchase			\$ -	\$ 44,975		\$ (44,975)	\$175 per lot one time special assessment	0%
Total Annual Revenue	\$ 33,285	\$ 34,965	\$ 1,680	\$ 78,360	\$ 27,895	\$ (50,465)		36%
Net Change to Reserves	\$ (15,815)	\$ 1,532	\$ 17,347	\$ (51,090)	\$ 27,895	\$ (38,465)	To/From Reserves	
Surplus (deficit) through 12/31/20								
	\$	1,532		\$	21,635		2/4/2021 Surplus (deficit)	
	\$	0		\$	(0)		Difference from balance sheet	

Reserve Study

Bent Tree Property Owners Association
Reserve Funding Program
Updated January 16th, 2019 by Greg Davis
Reserve Study Year
Inflation factor since 2015

2021
 1.21

Component	Cost Base Year 2015	Cost with Inflation	Total Life	Year of Last Replacement	Remaining Life	Annual Resrv Requirement	Accum Resrv Requirement
Legal expense fund - maintain balance	30000	36300					36,300.00
Redo website allow owner directory & water entry	4500	5445					5,445.00
Entrance monument Scottswood maintenance	2500	3025	25	2013	17	121.00	968.00
Entrance monument Queensmere maintenance	2500	3025	25	2000	4	121.00	2,541.00
Entrance monument Charter Pines North maintenance	2500	3025	25	1990	0	121.00	3,025.00
Entrance monument Charter Pines South maintenance	2500	3025	25	1990	0	121.00	3,025.00
Entrance monument Colonial Park East maintenance	2500	3025	25	1990	0	121.00	3,025.00
Entrance monument Viscount maintenance	2500	3025	25	1990	0	121.00	3,025.00
Entrance monument Colonial Park West maintenance	2500	3025	25	2015	19	121.00	726.00
Tree Inspection	1300	1573	2	2017	0	786.50	1,573.00
Office Equipment	1000	1210	5	2018	2	242.00	726.00
Possible water augmentation plan change	9000	10890	4	2015	0	2,722.50	10,890.00
Association laptop computer	650	786.5	5	2018	2	157.30	471.90
Engineering - drainage	2500	3025	6	2009	0	504.17	3,025.00
Trail improvements - One time	6300	7623					7,623.00
Total without contingency	72750	88027.5				5,259.47	82,388.90
Contingency – 3%						157.78	2,242.98
Total with contingency						5,417.25	84,631.88
Current Cash in reserves accounts							79,719.31
Current Reserve Surplus/(Deficit)							-4,912.57
Annual income							78,360.00
Annual operating expenses							27,500.00
Amount to take from reserves current year							56,975.00
Projected Amount to Add/(Subtract) to reserves							-6,115.00
Projected Annual Surplus/(Deficit) amount for reserves							(11,532.25)