



## **Bent Tree Property Owners' Association, Inc.**

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Monument, Colorado 80132-2631

Nov 4, 2007

Duane Fitch, President

Chris Patterson, VP

John Heiser, Liaison to Water Committee

Tom Hilfers

Board Members:

This year was one of intense work by all on Water Usage and Augmentation Reporting requirements to achieve significant improvements in two critical areas:

1. Stem and turn back the total water usage as reported to the Water Commissioners for the special reporting lots 197 – 232;
2. Satisfy the long unfulfilled filing obligation to report actual irrigated square footage for all lots in all Bent Tree filings.

I am happy to report that we are on much improved footing for both these requirements effective with this year's AUGMENTATION FILING, copy attached. Specifically:

1. (Refer to USAGE REPORT FOR METERS: 196 – 232 spreadsheet) We are in the vicinity of 500,000 gallons less usage, a 14% reduction, for gross usage compared to last year. The imprecision of this reflects that this year we had 2 unreported lots (I now must enter maximum usage) and 2 lots with inexplicable negative totals. More on this below. Even with the uncertainties replaced with estimated max usage, we have a significant reduction. While this was a wetter year, no doubt all our attention contributed to some of this dramatic improvement. Also note that last year we had 15 of 34 homes above 124,800 gallons while this year we only have 3!
2. For the first time I can find from our filing history, we have actual irrigated square footage numbers by lot in our report.

The Irrigation Survey “closed” for the water year with only two non-reporting lots, and the process is moving to gain their attention. If you refer to the twin pie-graph page attached, you'll see that approximately 86% of our members are in strict compliance to not exceed 2000 sq foot irrigated. Further, we now know that the metered lots 197 – 232 are a good yard-stick for the community as a whole. This is very valuable data we never had in the past.

With hard data comes one negative outcome I didn't anticipate: in all prior years' AUGMENTATION reports, there was an assumed 1000 sq ft per lot average irrigated space. We know now that the actual average this summer was 1486 sq feet. The result is that we will be buying more water from Great Divide than even last year: 17.13 acre feet vs. 13.35, a 28% increase. I expect that this is a one-time jump as next year's number should benefit from the increased awareness of our members as to the limits, and the installation of meters for all wishing to irrigate more than 2000 sq feet will cause many to reduce lawns.

Since water purchases have been historically about half of each lot's dues, this will no doubt cause some members to object. I propose that we move to a water fee dues structure based on a flat rate and usage, particularly weighted to reward those with no or little irrigation.

Considering financial matters, we will also see some penalty income from those insisting on over-consuming the 22,435 outside maximum based on new meter data. Also, meter reading will be a real challenge over the next year unless we can develop tools such as a Web-site application to automatically remind users to monthly record both meters (or single, if that's all they have) and to give each lot a spreadsheet-like application to securely enter those readings. Otherwise, we'll need that summer student pretty much full time to enter lots and read the external displays. Speaking of new meters and displays, I procured wire seals to be applied to all meters this year. The two negative meter readings should be moot, no matter what the cause, as all folks lacking exterior readouts will be installing new meters and displays, which will be sealed.

I also need to report that Great Divide examined the estimated construction cost to rebuild either well, and finding that steel, copper wire and drilling are now more expensive than five years ago, will be passing along a modest base rate increase to rebuild the capital equipment repair/replacement accrual account. Some of that is offset as their operating expenses have been consistently lower than expected over this same 5 year period.

I congratulate the board for taking us from "nearly over usage" and unknown actual irrigated space reporting to a good reported usage reduction, real data on irrigation and much increased awareness by our members. I very much appreciate the rough time we've had, and must expect in the coming year from those adamant about their version of water rights. To further underscore the timeliness of this effort, at October's annual Great Divide Shareholder meeting, the Colorado Water Commissioner of District 10 reported that they have a new Policy Memorandum (copy attached) which will dramatically restrict usage for all HOA's whose decrees don't specifically address the issue of unbuilt lots and non-reporting homeowners. Henceforth, unless the decree specifically allowed it, any unused water from prior years unbuilt lots or from under consumption will not be allowed to carry forward for future use. Further, we can expect closer scrutiny and assistance from the commissioners to achieve 100% reporting. Where reporting is not forthcoming, the commissioners are willing to exercise "right to trespass" (enter lots without homeowner permission) to achieve usage control, up to individual well capping and well permit

revocation. I have yet to fully digest impact of this on our future filings but consistent with this policy, I reported MAX USAGE for those homeowners who didn't provide the final meter reading, the negative values and the stuck meter.

Sincerely,

Jerry Lopez  
Bent Tree Property Owners Assoc  
Bent Tree Water Augmentation Chairman

cc: Debbi Maser  
Jim Maser  
Steve Fuhrmann