

Tamarron Association of Condominium Owners

Executive Board Meeting

May 29, 2020

Unapproved Minutes

Board Members Present: President Scott Gillen, Greg Collins, and Rick Kues. Vice President Eric Tibbetts, Secretary Ron MacLennan, Boyd Hodges and Kathy Puglise attended electronically.

Officers Present: Treasurer Joe Carey.

Staff Present: General Manager Steve O'Rourke, Business Manager Allisa Oliger, Property Manager Dave Dunn, Director of Owner Relations Gary Prisby, Manager of the Rental Program Heather Dawson.

A meeting of the Executive Board of the Tamarron Association of Condominium Owners was held on Friday, May 29, 2020, at 8:30am in the Lodge Conference Room. The President being in chair and the Secretary being present.

President Gillen called the meeting to order at 8:30am. Mr. Gillen asked the Secretary to certify a quorum was present. Mr. MacLennan certified a quorum was present and the meeting was properly noticed to the Board Members, the TACO website, and the Lodge lobby display case. Mr. MacLennan indicated the Minutes from the Board Meeting on January 31, 2020, to the Board Members were distributed. Mr. MacLennan made a motion seconded by Mr. Kues to approve the minutes as presented. The motion passed 7/0.

Mr. O'Rourke stated there were no actions taken by the board this last quarter without a meeting.

President Gillen stated the past 3 months have been interesting and trying for many. We have had many challenges including the fires 2 years ago. President Gillen stated the staff have again done a wonderful job and are recognized for their hard work. The changes due to COVID-19 have been implemented without incident. The modifications at the main lobby have gone well as have reminder signs for masks to be worn.

President Gillen provided an update on personnel issues. Mr. O'Rourke will be leaving Tamarron on June 12, 2020 to return home to California. His recent work on management system upgrades has gone well. Allisa Oliger, who previously worked in an accounting firm in Durango will join Tamarron as the Business Manager. Ms. Oliger handled the Tamarron account at her previous employer, so she is well versed on accounting and budgeting issues.

Anne Dixon, marketing consultant who has previously worked with Tamarron, will be managing a private Facebook page for Tamarron owners. The site is for positive comments and sharing of information.

Mr. Cary provided the quarterly finance report (see attached);1

General account is well funded

Rental program is doing well despite delays due to COVID-19 interruptions

Assessment late fees for April were waived due to issues with COVID-19

Delinquencies are up slightly due to COVID-19

Reserve accounts are lagging slightly

Income statements are tracking within range

Legal fees are very low this year

Snow removal lower than anticipated

Exterior maintenance costs increase during spring and summer

Mr. Carey reviewed the 3 reserve accounts set up with separate banking institutions. Mr. Carey will update the list of approved bank signers to reflect the recent management personnel changes. This change will require a vote by the Board to finalize the change.

Mr. Carey stated Elliot Meadows and Associates will still be responsible for quarterly review the financial report, interfacing with the auditor for annual report and handling tax returns for Tamarron HOA.

Mr. Carey stated a company to handle electronic payment of HOA Assessments is under review.

Mr. Carey advised the Internet, TV and Telephone project has been completed. No further updates will be needed.

Mr. O'Rourke provided a report on activities with Glacier. A recent waterline break occurred near the Lodge. Repairs were completed within 12 hours with a 12-foot hole being dug.

Mr. Kues provided a report on the Architect Review Committee. A request from #728 was received to add two windows, one near the dining room and one upper window. The same set up is in place at the unit across from #728. The owner of that unit will be contacted. Mr. Kues made a motion to approve the request for the two windows as stated. The motion was seconded by Mr. MacLennan. The motion passed 7/0.

Mr. MacLennan provided a report on the Rules and Regulations Governance Policy. Mr. MacLennan stated the attorneys had reviewed the Governance Policy regarding the notice to fine an individual. The attorneys clarified that the assigned fines will only be collected after the 15-day period for a hearing has passed. The change was made and posted with no feedback received from the owners.

Mr. O'Rourke provided a report on the revised Contractor policy. The policy was posted, and feedback was received by an owner. No changes were made to the policy regarding the holiday schedule for contractors and key control issues.

Mr. O'Rourke provided a report on the revised the Unpaid Assessments policy that was reviewed by the attorneys. Several areas of the policy were updated for clarity. The change was made and posted with no feedback received from the owners. A motion was made by President Gillen to accept the policies. A second was made by Mr Kues. The motion passed by 7/0.

Owner Jerry Kiuttu provided a report on the Water and Sewer Committee (see attachment);

ECWC 2020 rates increased due to 2019 revenue shortfall.

New ECWC rates rolled out go into effect May 1.

2019 rates based on estimated 44M gal of domestic water use from production meters, but 2019 domestic water use was only 22M gal based on user meter.

Debt service was increased by \$2.7M for pre-2017 capital expenses.

Irrigation water rates increased significantly. Dave Dunn found that the Glacier/ECWC meters were reading more than twice what was actually flowing. ECWC has agreed to replace the meters.

Ms. Dawson provided a report on the rental program. The program was shut down for two months due to COVID-19 issues. Various local events were cancelled which then caused cancellations with rooms. Summer reservations are slowly coming in. Use of reduced rates to fill rooms are occurring. People are renting for longer periods. Cleaning requirements from the Centers for Disease Control are being followed with higher costs and longer cleaning times. Guests are satisfied upon arrival and check-in. Enforcement of mask policy can be challenging for the staff. Cost issues between Glacier and Tamarron renters are under review.

Mr. Dunn provided the Property Report. The opt-in program for preventative maintenance has gone well and will continue. Staffing is short by one person and efforts to fill the position are underway.

Testing of back flow preventers is completed. The south elevator is being prepped for upgrade. Rear deck work is underway at the Central Tower.

The bat contractor will be on-site in the next several weeks. Irrigation issues for landscaping are under review. A roofing contractor has been identified and has previously worked on Tamarron roof issues. He will be doing repair work over the summer.

Mr. O'Rourke provided an update on COVID-19 measures at a Tamarron. Minor configurations were made at the entrance and the front desk. Efforts were made to maintain a touch-free check out process with social distancing. Approximately 80% of occupants are wearing masks.

Mr. MacLennan provided an update on research for use of the Nest/Ring doorbell system. The doorbell works off the internet and provides a photo and audio capabilities. Legal provided an overview of their concerns.

With a loudspeaker for audio, conversations are easily heard and may bother area neighbors

The video camera can be opened to a wide view. Images are recorded and may present a privacy issue. Areas such as the Lodge may have video of the door across the hallway. Even outlying areas share a deck or porch area may have privacy issues.

Signs would be needed advising people that these areas are being recorded.

Damage to the walls and door frame may occur. A policy would be needed outlining who would be responsible for installation and maintenance issues

Mr. MacLennan recommended a check of area condo associations be made to see what other communities are doing. A survey of the ownership may be done once more information is available. Mr. MacLennan will provide an update at the next board meeting.

President Gillen provided a report on the Survey of Lienholders. A total of 28% of the ownership have a mortgage lien on their unit(s). After a delay due to COVID-19, the gathering of info will be completed.

Mr. O'Rourke provided an update on the charging station. The charging station grant for electric vehicles was submitted. About half of the total cost is covered by the grant. The user pays for the service with a phone app.

Mr. O'Rourke reported the Evidence of Insurance project is nearing completion. Six owners are left to verify the information with.

President Gillen asked Mr. Carey for an update on the upcoming board election. Two board members, Greg Collins and Rick Kues, are up for re-election. Listed below is a tentative schedule which could be changed due to COVID-19.

06/29 Send letter to owners on election overview and deadline for nominations.

07/15 Submittal of nominations

07/30 Annual meeting information

08/01 Annual packet and ballot information sent out

09/09 Deadline for ballot submittal

09/11 Annual meeting held

Elliot Meadows and Associates will handle counting of ballots and related administrative functions associated with the election.

The Board of Directors moved to Executive Session where there were no decisions made. The Board of Directors came out of Executive Session and a motion was made by President Gillen adjourn. The motion was seconded by Greg Collins and passed 7/0.

TAMARRON ASSOCIATION OF CONDOMINIUM OWNERS

CONTRACTOR POLICY

This contractor policy applies to both hired contractors as well as owners who opt to do their own remodel work. No exceptions.

1. All contractors shall have a minimum of \$1,000,000.00 liability insurance and have a copy on file with the TACO Property Maintenance office *before any demolition or construction begins*. **This is a requirement of the TACO master insurance policy.**
2. All contractors shall supply a \$1,000.00 refundable damage deposit *before any demolition or construction begins* to cover any damage to common property or fines for non-compliance to any TACO rules. Deposit shall be refunded at the completion of the project upon final inspection, minus any monies due.
3. All contractors are to leave in writing two (2) copies of this completed form, and two (2) copies of any plans or drawings, including a list of subcontractors, if any, to work on the project. At that time, if any changes are to be done to the outside of the condominium in appearance (i.e. windows, doors, etc.), written approval of the TACO board must be obtained before work begins. One (1) set of documents marked "Approved" shall be returned to the contractor prior to the commencement of work.
4. All contractors are to report to TACO Property Maintenance before starting a project to receive a unit key card to gain access to a unit. Card keys will be issued for *no more than* a week at a time. Keys will be re-issued as needed. Under no circumstances shall a contractor receive a key card from the Front Desk. Hard keys for deadbolt locks must be returned to the Maintenance office each day.
5. Contractor shall be responsible for any state or county permits and inspections, including fire inspections, required by law. Any questions regarding the required permits shall be directed to the governing agency. The Maintenance Director shall have the authority to stop work not having the required permits, until such permits are obtained.
6. Any work to be performed by TACO's Telecommunications technician (TV, telephone, energy management systems, etc.) shall be scheduled at least 24 hours in advance. Any work performed on the energy management system not done by TACO must be inspected and tested by TACO before work is covered.
7. Any shut-down of utilities that affects other units must be scheduled with, and approved by, TACO Property Maintenance at least 24 hours in advance and performed under TACO Property Maintenance supervision.
8. **STATE LAW ~ NO EXCEPTIONS MADE:** All fire sprinkler work shall be performed by a certified fire sprinkler contractor and inspected by Durango Fire Protection District to maintain warranty of the system. Any work not inspected, or found to be out of compliance, shall be immediately removed and brought into compliance with all costs being the responsibility of the owner and contractor.
9. **STATE LAW ~ NO EXCEPTIONS MADE:** All electrical work must be done by a State of Colorado licensed electrician. A permit and electrician's license number must be supplied to the maintenance department.
10. Under no circumstances shall any contractor use any dumpsters on TACO property. All debris is to be hauled off property by contractors.
11. If a contractor needs to rent a dumpster for a remodel, the contractor must, before arrival of the dumpster, contact the Director of TACO Property Maintenance for the location of the dumpster on the property.

12. No building materials, trailers, construction equipment, or debris shall be left or stored outside of a unit without prior permission of the Director of TACO Property Maintenance.
13. Under no circumstances shall any vehicles, trailers, or equipment be driven on the lawn in the front or back of a unit to gain access.
14. No vehicles shall be parked immediately in front of a walkway, or in such a way that hinders access to walkways or stairways.
15. All contractors, subcontractors, and their employees shall follow all of TACO's rules, regulations, and speed limits. This includes all restrictions regarding noise disturbance and smoking. No animals are allowed on site at any time. Failure to comply will result in being blocked from the unit, not allowed on property, and/or forfeiture of part or all of contractor's damage deposit.
16. No work will be performed outside of the allowed times of 8:00 AM to 5:00 PM Monday through Friday. No work is allowed during weekends or holidays. The Maintenance Department has the authority to adjust these hours if necessary.

No work is allowed from Christmas Eve through New Year's Day, and that restriction may be expanded depending on what days of the week those holidays occur. It is the responsibility of the owner and/or contractor to inquire in the maintenance office as to what dates those restrictions apply. Parking of all contractor vehicles and/or trailers is prohibited during this same holiday period, except in the case of a response to an emergency situation.

17. Under no circumstances shall an owner or contractor use the luggage carts for hauling any tools or supplies to or from a unit. Use of any luggage cart for construction purposes will result in an immediate \$100.00 fine.
18. The enforcement of the TACO Contractor Policy falls under the TACO Rules and Regulations Committee. This includes all violations, issuance of fines, and scheduling of hearings as needed.

FEES (instituted by the TACO Board of Directors 11/5/2007)

The following fee schedule for TACO Maintenance Department supervision has been instituted for all work being done in private units. This will be in effect whether the work is being done by a contractor or a private owner. This fee is for approval, supervision, and inspection costs only, and does not relieve the contractor or owner of any costs associated with work done by the Maintenance Department as a result of actions or requests by the owner or contractor. These fees will be charged to the owner on his/her quarterly statement.

It is the responsibility of the owner and/or contractor to inform the TACO Maintenance Department, in writing, upon completion of the job, and to schedule a final inspection of the project. The owner will continue to be billed these fees until the project has passed this final inspection.

These inspections are to ensure that no TACO Common Areas and/or infrastructure are damaged or compromised during construction, and by no means relieve the Owner or Contractor of any County or State requirements for permits and inspections. Nor do these inspections take the place of any Owner's inspections regarding the work done by their contractor. Following is the fee schedule:

- | | |
|--|-----------------------------------|
| 1. Initial fee for plan submission and approval: | \$250.00 |
| 2. Monthly fee after first month: | \$100.00 |
| 3. Minor remodel (1 week or less) fee per day: | \$50.00 |
| 4. Penalty for work done without submission: | \$250.00 plus all applicable fees |

Owners planning any contractor work are urged to read the TACO Architectural Guidelines found on the Tamarron website www.tamarronhoa.com

TAMARRON ASSOCIATION OF CONDOMINIUM OWNERS
REQUIRED CONTRACTOR/VENDOR RESPONSIBILITY FORM

In order to maintain the safety and security of The Tamarron Condominium complexes, we require that each Contractor/Vendor complete the following form for key access. The completed form will be kept in private TACO files.

UNIT NUMBER(S) FOR WORK CONTRACT: _____

START DATE: _____ JOB LENGTH: _____

OWNERS OF UNIT(S): _____

OWNERS' CONTACT NUMBERS _____

HOME ADDRESS:

CONTRACTOR/VENDOR COMPANY NAME: _____

COMPANY PHONE NUMBERS: _____

PERSON ASSIGNED TO PERFORM WORK: _____

HOME PHONE NUMBER: _____

CELL PHONE NUMBER: _____

EMAIL ADDRESS: _____

AUTOMOBILE DESCRIPTION AND LICENSE NUMBER. LIST ALL:

GENERAL LIABILITY INSURANCE COPY ATTACHED: _____

WORKMAN'S COMPENSATION INSURANCE ATTACHED: _____

EMERGENCY CONTACTS:

NAMES: _____

TELEPHONE NUMBERS: _____

EMAIL ADDRESSES: _____

SCOPE OF WORK

UNIT #

OWNER'S NAME

NAME OF CONTRACTOR

ANTICIPATED START DATE

ANTICIPATED COMPLETION DATE

WORK TO BE DONE (Use additional sheets if necessary)

Living room

Bedroom(s)

Bathroom(s)

Kitchen

Other work to be done

TACO Maintenance may require drawings to clarify certain aspects of a job. Contractors/Owners are strongly encouraged to submit these with this form in order to avoid any delays in startup.

Electrical

ALL ELECTRICAL WORK MUST BE DONE BY A COLORADO MASTER ELECTRICIAN. CONTRACTORS, ELECTRICIANS, AND OWNERS ARE NOT ALLOWED TO CUT OR SPLICE INTO POWER CIRCUITS, TELEPHONE LINES, COAXIAL CABLES, OR ANY OTHER WIRING UNDER A BUILDING.

Name of electrician

License #

Electrical work to be done

Plumbing

ALL PLUMBING WORK DONE INSIDE WALLS AND/OR FLOORS MUST BE DONE BY A LICENSED PLUMBER, AND MUST BE INSPECTED BY TACO MAINTENANCE BEFORE CLOSING WALLS AND/OR FLOORS. THIS INSPECTION IS FOR INFORMATIONAL PURPOSES ONLY; IT IS THE CONTRACTOR'S RESPONSIBILITY TO ENSURE ALL WORK IS UP TO CODE.

Name of plumber

License #

Plumbing work to be done

READ CAREFULLY

1. No work can be started, *including demolition*, before this form is submitted to the TACO maintenance department, along with the following:

A. Damage deposit in the amount of \$1,000

B. Contractor's Certificate of Liability Insurance in the amount of \$1,000,000

2. It is the responsibility of the owner and/or contractor to inform the TACO Maintenance Department, in writing in the form below, upon completion of the job, and to schedule a final inspection of the project. The owner will continue to be billed the fees listed in the TACO Contractor Policy until the project has passed this final inspection.

3. TACO Maintenance reserves the right to suspend work on a project in the event of any infraction of the rules set out in the TACO Contractor Policy.

Acknowledgements

Owner

Contractor

COMPLETION CERTIFICATION

This form must be completed and submitted to the TACO Maintenance Department upon completion of the job. The owner will continue to be billed the fees listed in the TACO Contractor Policy until this form is submitted and the project has passed this final inspection.

Unit Number:

Completion Date:

Inspection Date:

Notes:

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Tamarron Association of Condominium Owners, Inc.
Durango, Colorado

The Directors are responsible for the accompanying financial statements of Tamarron Association of Condominium Owners, Inc., which comprise the Balance Sheet as of April 30, 2020, and the related fund and departmental Income Statements for the three months then ended, in accordance with accounting principles generally accepted in United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the Directors. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Directors have elected to omit from the compiled interim financial statements substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary budget and memorandum information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. We have not compiled, audited, nor reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Elliott, Meadows & Associates LLC is not independent with respect to Tamarron Association of Condominium Owners, Inc.

Elliott, Meadows & Associates, LLC

Certified Public Accountants
Durango, CO



R. Thomas Meadows, CPA
May 27, 2020

Tamarron Association of Condominium Owners
Balance Sheet
As of April 30, 2020

	Apr 30, 20
ASSETS	
Current Assets	
Checking/Savings	
101 · Alpine Bank - General	
101.1 · Alpine Bank - General	254,769.00
101.3 · Alpine Bank - Rental Program	37,170.20
Total 101 · Alpine Bank - General	291,939.20
102 · Alpine Bank - Capital	124,601.06
103 · Bank of the San Juans - Reserve	276,367.16
104 · Alpine Bank - Snow Removal	9,506.16
105 · Alpine Bank Resort Fees	9,096.58
106 · Alpine Bank-Special Assessment	4,856.13
107 · 1st Int Bank of Ind - Reserve	211,380.31
108 · Stearns Bank - Reserve	244,809.90
Total Checking/Savings	1,172,556.50
Accounts Receivable	
132 · Accounts Receivable	244,543.25
140 · Accounts Receivable-Rental Prog	5,085.00
133 · Estimated Bad Debt	(10,000.00)
Total Accounts Receivable	239,628.25
Other Current Assets	
170 · Parts Inventory	7,876.32
Total Other Current Assets	7,876.32
Total Current Assets	1,420,061.07
Fixed Assets	
150 · Units A-N and 115	938,032.82
156 · Restaurant Remodel	208,226.15
158 · Equipment & Leasehold Improv	563,955.34
160 · Meeting Room	45,963.67
164 · Accumulated Depreciation	(767,919.00)
Total Fixed Assets	988,258.98
TOTAL ASSETS	2,408,320.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
220 · Accounts Payable	136,253.03
Total Accounts Payable	136,253.03
Other Current Liabilities	
240 · Deferred Revenue	360,393.00
Total Other Current Liabilities	360,393.00
Total Current Liabilities	496,646.03
Total Liabilities	496,646.03
Equity	
320 · Unrestricted Fund Beg Balance	1,030,465.53
321 · Reserve Fund Beg Balance	861,786.70
Net Income	19,421.79
Total Equity	1,911,674.02
TOTAL LIABILITIES & EQUITY	2,408,320.05

See Accompanying Accountant's Compilation Report

Tamarron Association of Condominium Owners
Income Statement - Operating
 January through April 2020

Ordinary Income/Expense	Jan - Apr 20	YTD Budget	Annual Budget
Income			
400 · Assessment Fees	652,786.93	653,109.00	1,959,327.00
404 · Maintenance Revenue	29,964.09	40,000.00	120,000.00
407 · Owner Fines Assessed	0.00	333.36	1,000.00
408 · Storage Unit Rental	4,314.00	5,666.64	17,000.00
409 · Sale of DVR's to Owners	125.00	166.64	500.00
412 · Commercial Space Rental	3,648.00	3,733.36	11,200.00
416 · Service and Collection Fees	3,194.23	4,000.00	12,000.00
420 · Transfer Fee	2,750.00	4,000.00	12,000.00
428 · Laundry Machine	1,093.46	1,500.00	4,500.00
436 · Vending Machines	255.93	300.00	900.00
440 · Interest Income	0.42		
Total Income	698,132.06	712,809.00	2,138,427.00
Gross Profit	698,132.06	712,809.00	2,138,427.00
Expense			
500 · Administrative Expenses			
501 · Insurance	34,250.92	35,812.64	107,438.00
504 · Accounting	20,000.00	20,400.00	61,200.00
508 · Assessment Fees - Uncollectible	0.00	3,333.36	10,000.00
512 · Legal Fees & Consulting	2,956.25	11,666.64	35,000.00
520 · Directors Expense	4,112.99	3,666.64	11,000.00
524 · Auditing & Consulting Fees	10,350.67	15,000.00	45,000.00
528 · Supplies & Printing-Accountant	1,211.60	833.36	2,500.00
532 · Annual Meeting	0.00	0.00	7,500.00
536 · Web Services	708.00	400.00	1,200.00
540 · Payroll processing & misc	1,595.87	1,000.00	3,000.00
544 · Property Taxes	2,530.00	2,500.00	2,500.00
560 · Contribution to Front Desk Fund	26,276.68	26,276.64	78,830.00
Total 500 · Administrative Expenses	103,992.98	120,889.28	365,168.00
600 · Operations			
612 · Building Maintenance	19,369.11	38,333.36	115,000.00
616 · Snow Removal	46,071.78	50,000.00	75,000.00
620 · Roof Repair	195.00	8,333.36	25,000.00
624 · Grounds	1,601.31	0.00	29,800.00
636 · Window Washing	0.00	6,333.36	19,000.00
637 · Highpoint Exterior Maintenance	0.00	6,666.64	20,000.00
638 · Gambel Oak Exterior Maintenance	0.00	6,666.64	20,000.00
639 · Pinecone Exterior Maintenance	0.00	5,000.00	15,000.00
640 · Fire Sprinklers & Extinguishers	229.89	11,333.36	34,000.00
641 · Lodge Exterior Maintenance	0.00	5,000.00	15,000.00
648 · Elevator Maintenance	6,729.08	5,000.00	15,000.00
649 · Communications Systems Maint	0.00	1,666.64	5,000.00
652 · Computer Copier & Office Supplies	8,945.12	2,166.64	6,500.00

See Accompanying Accountant's Compilation Report

Tamarron Association of Condominium Owners
Income Statement - Operating
 January through April 2020

	Jan - Apr 20	YTD Budget	Annual Budget
656 · Energy Monitoring and Alarms	1,110.83	3,166.64	9,500.00
660 · Cell Phone	531.64	566.64	1,700.00
662 · Fogged Windows	0.00	3,333.36	10,000.00
674 · Lodge Janitorial & Carpet Clean	0.00	1,500.00	4,500.00
Total 600 · Operations	84,783.76	155,066.64	420,000.00
600.1 · Personnel Expenses			
601 · Salaries	156,703.10	169,000.00	507,000.00
604 · Employee Benefits	22,436.38	31,333.36	94,000.00
608 · Payroll Tax	12,755.27	14,366.64	43,100.00
632 · Workers Comp Insurance	1,554.00	1,500.00	12,000.00
Total 600.1 · Personnel Expenses	193,448.75	216,200.00	656,100.00
700 · Utilities			
701 · Water & Sewer	89,985.22	112,000.00	336,000.00
710 · Satellite TV	40,248.08	40,228.36	120,685.00
720 · Electricity	70,151.16	37,666.64	113,000.00
730 · Internet and Telephone Service	76,606.03	75,824.64	227,474.00
750 · Refuse Service	4,458.96	6,666.64	20,000.00
Total 700 · Utilities	281,449.45	272,386.28	817,159.00
Total Expense	663,674.94	764,542.20	2,258,427.00
Net Ordinary Income	34,457.12	(51,733.20)	(120,000.00)
Net Income	34,457.12	(51,733.20)	(120,000.00)
 Memorandum Only:			
Prior Year Carryover Income	40,000.00	40,000.00	120,000.00
Net Budget	74,457.12	(11,733.20)	0.00

Tamarron Association of Condominium Owners
Income Statement - Capital
 January through April 2020

	Jan - Apr 20	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
400 · Assessment Fees	68,094.00	68,094.00	204,282.00
Total Income	68,094.00	68,094.00	204,282.00
Gross Profit	68,094.00	68,094.00	204,282.00
Expense			
800 · Capital Expenses			
803 · Pinecone Parking lot Reseal	0.00	0.00	15,800.00
805 · Bat Mitigation	0.00	0.00	30,000.00
806 · Half of PC front railing paint	0.00	0.00	14,000.00
807 · Sinkhole repairs in Highpoint	0.00	0.00	3,800.00
808 · Rear Deck Railing Paint	0.00	0.00	2,500.00
811 · Gamble Oak Irrigation PRV	0.00	0.00	2,000.00
812 · Under Bldg & Storage Cleanup	0.00	2,000.00	2,000.00
819 · Lodge Landscape Irrigation	0.00	0.00	9,800.00
820 · Lodge South Elevator Upgrade	69,450.32	95,500.00	191,000.00
821 · South Elevator Cab Remodel	0.00	0.00	16,000.00
822 · Lodge Lighting Improvements	0.00	8,900.00	8,900.00
823 · HP Pump Issue	0.00	0.00	14,000.00
824 · Lodge Back Deck Furniture	0.00	0.00	1,200.00
825 · Lodge 4th 5th floor water valve	0.00	1,750.00	3,500.00
826 · Replace RPZ's in Highpoint	0.00	0.00	2,000.00
828 · Central Tower Doors	0.00	0.00	13,500.00
829 · Signage	573.46	5,000.00	5,000.00
832 · Improve are North of Lodge	0.00	20,000.00	20,000.00
830 · Unplanned Capital Expenses	0.00	25,000.00	25,000.00
831 · Lodge Heater Upgrades	0.00	1,800.00	3,000.00
Total 800 · Capital Expenses	70,023.78	159,950.00	383,000.00
Total Expense	70,023.78	159,950.00	383,000.00
Net Ordinary Income	(1,929.78)	(91,856.00)	(178,718.00)
Other Income/Expense			
Other Expense			
901 · Transfer to Permanent Reserve	29,094.00	29,094.00	87,282.00
Total Other Expense	29,094.00	29,094.00	87,282.00
Net Other Income	(29,094.00)	(29,094.00)	(87,282.00)
Net Income	(31,023.78)	(120,950.00)	(266,000.00)
Memorandum Only:			
Prior Year Carryover Income	25,000.00	25,000.00	75,000.00
Elevator Project	0.00	47,750.00	191,000.00
Net Budget	(6,023.78)	(48,200.00)	0.00

See Accompanying Accountant's Compilation Report

**Tamarron Association of Condominium Owners
Income Statement - Permanent Reserve**

January through April 2020

	Jan - Apr 20	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
440 · Interest Income	1,656.64	3,833.36	11,500.00
441 · Rental Revenue Unit 110	0.00	3,400.00	10,200.00
900 · Transfer from Capital	29,094.00	29,094.00	87,282.00
Net Income	30,750.64	36,327.36	108,982.00
Memorandum Only:			
Prior Year Carryover Income	233,549.00	233,549.00	700,647.00
Elevator Project		(64,666.67)	(191,000.00)
Net Budget	198,398.60	154,657.27	618,629.00

Tamarron Association of Condominium Owners
Income Statement - Front Desk/Rental Program

January through April 2020

	Jan - Apr 20	YTD Budget	Annual Budget
Ordinary Income/Expense			
Income			
406 · Contribution from General Fund	26,276.68	26,276.64	78,830.00
460 · All Admin Fees	8,058.49	11,666.64	35,000.00
472 · Long Term Rental Admin Fees	1,845.00	4,500.00	13,500.00
473 · Contribution from Rental Units	8,460.00	12,600.00	37,800.00
Total Income	44,640.17	55,043.28	165,130.00
Gross Profit	44,640.17	55,043.28	165,130.00
Expense			
500 · Administrative Expenses			
573 · Manager's Contract Fee	4,666.68	4,666.64	14,000.00
576 · Marketing	4,233.03	3,500.00	10,500.00
580 · Computer Services & Supplies	4,114.29	1,166.64	3,500.00
584 · Office Equipment	17.74	266.64	800.00
592 · Ski Shuttle	4,192.50	4,400.00	5,500.00
594 · Coffee Service	180.82	1,000.00	3,000.00
Total 500 · Administrative Expenses	17,405.06	14,999.92	37,300.00
600.1 · Personnel Expenses			
601 · Salaries	41,410.60	41,666.64	125,000.00
604 · Employee Benefits	0.00	2,833.36	8,500.00
608 · Payroll Tax	3,634.79	3,541.64	10,625.00
632 · Workers Comp Insurance	500.00	187.50	1,500.00
Total 600.1 · Personnel Expenses	45,545.39	48,229.14	145,625.00
Total Expense	62,950.45	63,229.06	182,925.00
Net Ordinary Income	(18,310.28)	(8,185.78)	(17,795.00)
Net Income	(18,310.28)	(8,185.78)	(17,795.00)
Memorandum Only:			
Prior Year Carryover Income	5,931.66	5,931.66	17,795.00
Net Budget	(12,378.62)	(2,254.12)	0

WATER & SEWER CONTRACT UPDATE

Jerry Kiuttu

TACO Board Meeting

29 May 2020



Water & Sewer Committee

- Joe Carey
- Greg Collins
- Scott Gillen
- Jerry Kiuttu* (jerryq2@gmail.com)
- Eric Tibbetts
 - Ken Golden, TACO Counsel
 - Steve Harris, Water Engineer Consultant

*TACO Representative on the Elbert Creek Water Company Advisory Board



Update Summary

- Three Advisory Board Meetings Since The Last Board Meeting
- New ECWC Rates Rolled Out, To Go Into Effect 1 May
 - Our Water & Sewer costs will go up
- No Movement On Efforts For A New Contract*

*We just received this week a response letter from ECWC's legal council. They challenge our interpretation of our existing contract but appear to be willing to begin some negotiation. Finally.



ECWC Advisory Board Meetings

- 5 February
 - Initial AB meeting
 - Review of early draft of 2020 rates with BBC
- 26 March
 - Review of “final” 2020 rates with BBC after input from the Advisory Board
- 28 April
 - Review plans for wastewater treatment plant work beginning this year with Plummer(\$1.5M)



Highlights of 2020 Rate Changes

- ECWC 2020 Rates Increased Due to 2019 Revenue Shortfall
 - 2019 rates based on estimated 44M gal of domestic water use from production meters, but 2019 domestic water use was only 22M gal based on user meters (where did the water go?)
 - Debt service was increased by \$2.7M for pre-2017 capital expenses*
 - Irrigation water rates increased significantly



Example 2020 Water Bills for ECWC Customers

Customer Class	Projected Monthly Water Use (gals/mo)	Projected Monthly Bill (2020 Rates)	Average Monthly Bill (2019 Rates)	Change in Bill (2020 - 2019)
Single family	7,207	\$244	\$132	\$112
Multi family	1,031	\$73	\$64	\$9
Business	3,993	\$192	\$100	\$92
Irrigation	25,875	\$721	\$215	\$506
Raw water	4.167 million	\$25,586	\$13,915	\$11,671

- Projected monthly domestic water use is based on projected 2020 use of 23M gals. Use is allocated to each customer class based on their 2019 share of use.
- Projected monthly wastewater use is based on projected 2020 use of 9.3M gals. Use is allocated to each customer class based on their 2019 share of use.
 - Single family: 1,900 gals/mo (For single family accounts use is based on the period from December 2018 through March 2019)
 - Multi family: 1,031 gals/mo
 - Business: 3,993 gals/mo

From ECWC 2020 Rates Report

<https://elbertcreekh2o.com/wp-content/uploads/2020/04/ECWC-2020-Rates-Final-March-31-2020.pdf>



Example 2020 Water Bills for ECWC Customers

Customer Class	Projected Use (gal/mo)	Year Total (Mgal)	Percent Use (Total/Unit)	Average Monthly Bill (2020 Rates)	Total Paid for Year (2020 Rates) (\$1000)	Amount Paid per 1,000 gal
Single Family (130)	7,207	11.243	44.9%	\$244	\$381	\$33.86
Single Family Incl Irr & Com (130)	7,704	12.018	48.0%/0.369%	\$266	\$415	\$34.57
Multi Family BBC (449)	1,031	5.555	22.2%	\$73	\$393	\$70.81
Multi Family Incl Irr & Com (449)	2,417	13.023	52.0%/0.116%	\$113	\$610	\$46.87
Commercial (23)	3,993	1.102	4.4%	\$192	\$53	\$23.04
Irrigation (23)	25,875	7.142	28.5%	\$721	\$199	\$27.86
Totals		25.042	100.0%		\$1,026	

- 2019 Irrigation Usage (5958200)/Accounts (23)/12 = 21,588

- When irrigation accounts are taken into account

- Who pays the \$251,998 in commercial and irrigation bills? We all do, but mostly MFs (~ 90%)

- Projected monthly domestic water use is based on projected 2020 use of 23M gals. Use is allocated to each customer class based on their 2019 share of use.



More On Irrigation

- Some years ago we were required to use domestic rather than raw water for irrigation
- In 2019, irrigation water was charged at a relatively low rate, but for 2020 the rate was made the same as for regular domestic water (home) usage
- Based on our usage for 2019, the bill for irrigation for 2020 would go up from \$32K to about \$112K!
- We asked Dave Dunn to investigate why our irrigation water usage at PC and GO was so high compared to HP
- Dave found that the Glacier/ECWC meters were reading more than twice what was actually flowing!
- ECWC has agreed to replace the meters



Debt Service

- By our previous W&S agreements Glacier (now ECWC) was solely responsible for any capital improvements
- It is TACO's position that until a new agreement is in place, we will not pay for debt service costs associated with capital improvements
- We hope that reduced revenues will encourage ECWC to come to the negotiating table



BACKUP SLIDES

Historical Perspective

- Original Agreement between Glacier predecessor and TACO written in 1989 and in effect indefinitely
 - Original TACO-Glacier predecessor allocation
76.7% - 23.3%
 - Based on 381 TACO equivalent residential units (ERUs) and 116 Glacier ERUs
 - Condos were treated as single-family houses
 - No metering in existence then
 - TACO charges based on actual, audited, costs
 - TACO had non-performance liens in water rights and facilities



Historical Perspective

- Addendum to Agreement in 2003
 - Replaced annual TACO audit of costs and rate adjustment with a *fixed bulk rate*, starting at \$295,000/yr
 - Provision for up to 3% increase per year beginning in 2005
 - Addendum rate term was through 2013 only



Overview

- Discussions on a new agreement have been going on since before rate schedule expired
- In 2017 W&S consumed about 17.5% of our total annual budget (\$404,000)
 - 3% increases most years since 2005
 - 2% increase from 2016 to 2017
 - but irrigation water charges added to that increase based on a tiered rate structure applied to each meter
 - switch to domestic water for irrigation mandated by Colorado statute



TACO Water Consumption Analysis

12-mo Residential Total	5,221,005 gal		<u>Complex</u>	<u>Total for year</u>
			GO (99)	1,790,006 gal
12-mo Irrigation Total	2,069,913 gal		PC (73)	901,620 gal
			HP (69)	700,588 gal
12-month Total	7,290,918 gal		Lodge (138)	1,828,790 gal
			Domestic Total (379)	5,221,005 gal
2016 Total Production	49,063,000 gal			
Residential Percentage	10.6%			
Irrigation Percentage	4.2%			
Total Percentage	14.9%			

From the analysis presented at the September 2017 Board and Owner meetings



Current W&S Working Group

- Joe Carey
 - Greg Collins
 - Scott Gillen
 - Jerry Kiuttu
 - Eric Tibbetts
-
- Ken Golden (TACO legal counsel)
 - Steve Harris (TACO water engineering consultant)



Developments In 2018

- At a February 20 meeting, Glacier advised customers that the water and sewer business was being transferred to a new entity (controlled by Glacier), the Elbert Creek Water Company (ECWC)
- On March 5, Jim Finnegan (Glacier) provided us with a privileged and confidential September 17, 2017, preliminary water and sewer rate study report by an independent water engineering firm
- Glacier/ECWC continue to install meters for all customers
- Further major upgrades to the water treatment facility occurred, costing \$3.4M*



ECWC Draft W&S Agreement

- Presented to TACO March 1, 2019
- Accompanied by a set of rules and regulations, and a final report of a water and wastewater rate study by a professional water engineering firm
- Elbert Creek Water Company formally Introduced
- We were advised that the new rates recommended by the rate study would go into effect 1 April



ECWC Draft W&S Agreement

- New agreement rate structure was more in line with public water utilities
 - Applicable universally to all customers
 - Tiered rate structure
- Certain aspects of the draft agreement were not acceptable to us
 - ECWC could change rates at their sole discretion
 - Demanded we give up our existing water rights and facility liens
 - Required us to cover the costs of the 2018 upgrades



ECWC Draft W&S Agreement

- TACO agreed to pay the new rates but with caveat/disclaimer
- What do the new rates mean to TACO owners? From our budget:

Utilities		2019	2020
701	Water & Sewer	416,268	336,000

- New rates bring us in line with what we estimated we should be paying
- But... New water purchase and upcoming WW treatment capital costs will raise rates in future



Meeting with Glacier COO

- Meeting with Jim Goodman 31 October
- Representing TACO: Scott Gillen, Eric Tibbetts, Joe Carey, Greg Collins (by phone), Jerry Kiuttu
- Purpose: Face-to-face meeting over water and sewer contract negotiations *without* legal representatives to break the impasse
- Brought Mr Goodman up to speed on our concerns over the proposed new agreement



ECWC Advisory Board

- Created in November for 2019 at TACO's request to oversee and *advise* on ECWC's management of W&S operations and services
- Initial members include Glacier (Jim Goodman, COO, and Mark Epstein); TACO (Jerry Kiuttu); Pine Ridge, Crescent Ridge, and Highpoint Estates; Village at Rockwood; Rockwood Estates representatives
- First meeting 5 February



But...

- Advisory Board has no real power
- Members are chosen by ECWC (Goodman)
- Purely voluntary, with no compensation
 - TACO will probably reimburse mileage to attend meetings
- Still...
 - It is a step in the direction of transparency and customer feedback and input



ECWC Advisory Board Meeting

Preliminary Agenda

- BBC Rate Study Update and Data Review
- Critical Issues Discussion
 - Irrigation rates versus household rates
 - Single family versus multi-family versus commercial
 - Volumetric thresholds
 - Debt service on recent capital improvements and interest rate charged
 - Wastewater improvements needed
 - Future reserve requirements
- ECWC Operations P&L Review
- ECWC Regulatory and Reporting



RENTAL REPORT

Rentals officially shut down from 3/24 - 5/22, though cancellations started coming in heavily by the time we hit March 14th.

Negative impacts to:

- ** Spring Break (March) where TVR lost 50 reservations, probably another 50 or more from other rentals on property
- ** Soccer Shoot-Out (May) where TVR lost 40 reservations to 3 different soccer teams
- ** Mid-June Wedding where TVR had 25 reservations - this wedding is currently moved to mid-August - some reservations lost to the date change
- ** Summer bookings are coming in VERY slowly - not sure what it will end of up looking like
- ** No \$30/night resort fees or \$30/month STR fees collected during the shutdown + pool & fitness have been closed longer than the rental shutdown = effect on TACO & GC budgets

New Trends:

- ** Advertising much lower rates to attract vacationers - markets are flooded with vacant properties that need rentals
- ** Durango is drivable from our most popular feeder markets, which is a good thing since people are not flying
- ** Vacation rentals more popular than hotels, as people consider them to be more secluded, have less interaction with others and cleaner (however homes are doing better than condos in the vacation rental category)
- ** Longer stays are becoming a more popular request - ex: 2-6 weeks instead of 2-6 nights
- ** Additional cleaning / disinfecting required following occupancy = it takes longer to clean condos, some additional cost
- ** Assume when pool & fitness do open to vacationers, it will be by appointment only this summer, so they can control the number of guests using the facility at one time

What is Next?

We are waiting on new info from the State, County and Glacier -

- ** When will pool & fitness open
- ** When will restaurants and bars open
- ** When will attractions like rafting open
- ** When will Purg summer activities open
- ** What about the ever-popular train
- ** Will limitations on gathering sizes affect the wedding groups booked this year

And when all of this does open, what will that look like for a vacationer?

- ** What kind of bounce-back will we see in reservations when things do start to open up a little more?
- ** With youth camps and sports being cancelled, perhaps even more people will take drivable family getaways this summer for something to do, something to look forward to?

Other Considerations:

- ** Impact on our staff
- ** Overall feeling of the check-in process
- ** Enforcing the mask policy in the lobby is challenging - doesn't seem to be an issue during the check-in process, but at other times people are walking through the lobby