

Reminders:

- *The gate(s) must always be closed after each use per the Court Order.*
- *All pets must be on leash and under control.*
- *Members will be fined for violations. See www.beaverlakes.org/documents/ for more information.*



Board Meeting (Virtual)

January 23, 2021 –9:00 A.M.

Agenda

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|--------------------------------------------------------------------|-----------------|
| 1. Open meeting | Adam, President |
| a. Identify members signed into virtual meeting | |
| b. Board members present | |
| c. Excused absences | |
| 2. Approval of Minutes Posted on BLE Website for November 21, 2020 | Board |
| 3. Treasurer Report | Ken, Treasurer |
| 4. Caretaker's Report | Mark, Caretaker |
| a. Progress Report | |
| b. Equipment Status | |
| 5. Architectural Controls Committee (ACC) Report | Marty |
| 6. Budget Ratification | Board |
| 7. Special STR Discussion | Adam |
| 8. Fishing Committee Update | Tim Ratterman |
| 9. Water Rights Update | Karen/Adam |
| 10. Foreclosure Resolution Vote | Ken |
| 11. COVID Restrictions Update and Procedures at BLE | Board |
| 12. Other Business as Needed | Board |
| 13. Adjourn | Adam |
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Minutes

1. Open meeting Adam, President

This meeting was held virtually due to restrictions on in-person attendance. The text from the Zoom chat is Attachment 1 to these minutes. Please note the chat comments are often responding to discussions in the meeting and are not responding to the previous chat comment.

 - a. Identify members based on sign-in identification:
Rich Boon, Lila Land, Dan & Jean Wilke, Linda Keller, Lisa McKenna, Kristine Prickett, Sabrina Gurule, Martha Bodine, Brian Runowski, Mark Ward, Andy Olear, Curtis Over, Jesse Smith, Jim Perkins, Marge Sjoden, Jeff Anderson, Tim Moutrie, Bob Dixon, Christopher Kearns, Ken Donoher, Karen Lewis, John Boak, Mark Maxwell, and Suzanna Magill.
 - b. Caretaker present: Mark Larsen
 - c. Board members present:
John Barber, Ken Berendt, Eric Flora, Ute Herzfeld, Kim Pierron, Karen Runowski, Adam Wiens
 - d. Excused absences
All Board members were in attendance.

2. Approval of Minutes Posted on BLE Website for November 21, 2020 Board

John moved to approve the minutes as posted, Ken seconded. The motion passed unanimously.

3. Treasurer Report Ken, Treasurer

Ken noted item 6 below is to ratify the budget for 2021-2022. There were no major changes to the financial situation from the previous meeting.

4. Caretaker's Report Mark, Caretaker

Mark was unable to provide a report due to technical issues.

5. Architectural Controls Committee (ACC) Report Marty

There were no new applications in this period.

6. Budget Ratification Board

Ken displayed the budget as developed at the November 2020 Board meeting, which is posted on the BLE web site. He provided a short summary of the items included and noted this budget will start May 1, 2021. Ken moved to approve the budget as posted, Kim seconded. The motion passed unanimously.

7. Special STR Discussion Adam

Adam indicated the Board had not yet held a pre-meeting to plan for this discussion and tabled this topic for a future meeting.

Adam stated the Board will plan an STR-specific meeting prior to next Board meeting.

8. Fishing Committee Update Tim Ratterman

Tim Ratterman was unable to join this meeting and Dan Wilkie, a member of the fishing committee, provided this information. They had planned to discuss the eradication of the suckers in the upper lake, but the plan may change due to the upper lake water flow issues. If the level gets too low, it may require double or triple the cost for stocking to replenish the fish lost in the upper lake. Adam provided background on the water flow issues with the upper lake. The water channel providing water to the upper lake ruptured due to

freezing and an ice dam. This caused water to flow into the new septic area, campground, lodge area, etc. To avoid damage to BLE property, the water is being diverted into the stream which stops water from flowing into the upper lake. Bob asked if that also cut off water flow to the lower lake. John indicated there is some flow into the upper lake from other sources but the normal overflow from the upper lake is not entering the lower lake at this time.

John provided a proposed repair plan to install a 12" poly pipe from the head gate to the lake. The pipe would be covered with soil rather than open as it is now. This would last at least several decades and would not freeze, which initiated the current problem. This could be installed in the winter while the current problem with the channel cannot be resolved until Spring/Summer. The estimate from the contractor was displayed for attendees to view. The cost for the pipe is \$60,000 plus a needed head gate repair, which will cost \$15,000 - \$20,000. Dan Wilkie asked if we had multiple bids. John indicated we do not because there are very few contractors available to do this work properly in the Leadville area. He also noted repair to the current channel would likely cost even more and leave the potential for the current problem recurring. Adam added the poly pipe is a longer lasting option and the current channel will probably fail in other places. Ken showed a map with the path of the proposed pipe which is approximately one-half mile in length. John provided details on how the pipe would be routed, installed, and buried. John noted that he has experience from his career doing this type of work. Ute asked if this moves the head gate. John indicated it does not change the location of the head gate.

Karen noted the lower the water in the lake gets, the more likely we will have to pay an additional amount to refill it.

John indicated it will take about 2 weeks to get the piping material and the contractor is ready to start. The installation should take about 1 month after the materials arrive. Karen noted we have an emergency fund that could be used since this is unexpected and needed to maintain the lake. She also recommended we verbally notify the Water Commissioner for his awareness. Dan Wilkie indicated historically other locations have used metal pipe and asked if this is as durable as the metal? John indicated the plastic pipe is more durable than the galvanized metal pipes previously used for similar applications. Dan added, given this situation, it may be best to let the upper lake drain to a small pond, making it easier to remove the suckers, then refill the lake. It was going to cost \$5,000 - \$10,000 to remove the suckers using other means and it may be better to spend the money on the pipe. Draining the lake was an option for sucker removal that had previously been rejected due to the inconvenience and impact to the trout, but this may now be the best option to deal with both issues. John noted it's easier to do this work while the ground is frozen, so the trenches are more stable while digging.

Adam asked Dan Wilkie to have the Fishing Committee reconsider the best approach to eradicate the suckers given this situation, when to refill the lake, and what may be required for restocking the trout. Ken Donohur indicated this option will also reduce the amount of silt that comes into the lake and this would be a good opportunity to remove the built-up silt near the inlet to the upper lake. John noted it will be easier to remove the silt while frozen to avoid equipment sinking. Karen noted it would be best to verbally let the Water Commissioner know we're doing the silt removal but doesn't believe it will be an issue since we're not changing the size and volume of the lake. Bob Dixon noted we have done silt removal previously. Ken relayed we have adequate emergency reserves to cover this expense, but it will reduce the amount available for future emergencies, such as equipment repair/replacement so we will need to rebuild the reserve.

Adam moved we approve this repair using the emergency reserves, Karen seconded. The motion passed unanimously.

9. Water Rights Update

Karen/Adam

Karen summarized the complex status and changes to potential purchase of permanent water rights. BLE has an augmentation plan, which has been in place for many years, which is required to have lakes. Our augmentation plan specifies we lease water from the Pueblo Board of Water Works (PBWW), which is one of a few organizations in Colorado authorized to do water exchanges. If we purchase permanent water rights, our augmentation plan requires we provide that water to PBWW who would exchange/lease it back to us. Originally PBWW indicated the cost would be relatively low for this process. Unfortunately, when the PBWW Board provided their official terms, their position changed drastically regarding the cost for this process. The PBWW indicated they had no need for additional water rights so the new permanent water rights we would provide-were of no value to them. They're official position is to charge BLE \$52,000/year for the water management, which is more than we pay PBWW for our current lease, which is in place until 2029. This \$52,000/year would escalate and be *in addition* to the mortgage for the water rights.

There is one other option to do a sub-lease from another organization, Upper Arkansas Water Conservancy District (UAWCD), but they are requesting we provide double the water rights volume that they provide back to us (i.e., we need to lease 50 acre-feet; therefore, we would have to provide UAWCD 100 acre-feet; which is more than the Bale Ditches yield). This would also require redoing the augmentation plan which could be difficult, require legal fees, going into water court, and subject us to opposers. This arrangement would extend until 2049 and would have to be renegotiated at that time.

Karen also noted that one last effort was made to try to obtain a long term, low interest loan through the Colorado Water Conservation Board (CWCB), but this was also not successful. Most of the previously allotted CWCB funding has been re-appropriated to cover other state budget shortfalls due to the COVID-19 pandemic. Only a handful of very critical, large impact projects are receiving funding.

If neither of the above plans work, we will go back to the current PBWW lease, paying less per year until 2029, then BLE will have a significantly increased cost when our current lease expires and must be renegotiated. Karen recommends continuing to look into these options for the one week remaining on due diligence period, but if nothing changes, we should go back to the current lease, i.e. abandon this permanent water rights purchase. Adam noted there may be other options to purchase water before our current lease expires in 2029. He reiterated we entered this purchase with data indicating it would be very good for BLE but recent changes in the PBWW cost have made it far less attractive. Karen added the due diligence period in our purchase contract ends in a week from the date of this meeting and we don't want to extend it, incurring more costs, if it's not a good deal for BLE.

Adam added if we abandon this plan, BLE will return the money collected from the special assessment, less the legal and engineering costs incurred to date.

10. Foreclosure Resolution Vote

Ken

Ken indicated the BLE Member (Rokusek, Lori D at Lot 21 Filing2) is several months in arrears. Notices have been sent on several occasion with no response. Adam moved that we approve initiating foreclosure. Karen seconded. Adam provided a short summary as Ute did not recall the previous Board communications on this topic. The motion passed with 6 ayes and Ute abstaining.

11. COVID Restrictions Update and Procedures at BLE

Board

Ken indicated we should continue keeping facilities closed, which is minimal impact since it's winter, then reconsider in Spring/Summer as things evolve with the pandemic.

12. Other Business as Needed

Board

a. Ute expressed concern she has not been copied on some issues being discussed within the Board, as there were a couple topics in this meeting which she didn't recall receiving prior communications. Adam forwarded information regarding the water ditch repairs to Ute, which she was inadvertently left off. Adam was not aware of other communications where she should have been included but was not. Adam summarized how the Board is now distributing the work and communicating within the Board, which doesn't have all members copied on every email. This is to avoid overloading the Board members with a large volume of emails. There was an extended discussion regarding Ute's concerns.

14. Adjourn – Adam adjourned the meeting at 10:45AM

BLE Office Contact Information:

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Future Meeting Dates for 2021:

- March 13, 9AM – Board Meeting
- May 15, 9AM – Board Meeting
- July 17, 9AM - Annual Member Meeting followed by Member Picnic
- Sept 18, 9AM – Board Meeting
- Nov 20, 9AM – Board Meeting for Budget Determination

Attachment 1 – Chat text from Zoom meeting

09:11:15 From christopherkearns to Everyone: yes, we are curious about our vehicles for the road. We'd like to talk about possibly getting a loan for newer vehicles, so we have more reliable vehicles.

09:13:23 From christopherkearns to Everyone: If we spent thousands of dollars on the cabins, which we will probably never get back in revenue from renting the cabins; why can't we look into getting a loan to lease newer vehicles for the road, which we really need.

09:19:27 From Jim Perkins to Everyone: please elaborate on what the water flow issues are

09:20:27 From Marge to Everyone: What about aerating the lower lake?

09:21:59 From Lila Land to Everyone: Would it be wise to open up ice fishing to upper lake & let members keep the fish?

09:22:57 From Lila Land to Everyone: due to worry about fish kill off?

09:52:48 From Bob Dixon to Everyone: Thanks John for all your help on this...

09:59:52 From Jim Perkins to Everyone: yes thanks John, your experience is invaluable

10:06:57 From Bob Dixon to Everyone: If we abort, will the folks who paid the special assessment get a refund or a portion there of?

10:07:47 From Linda Keller to Everyone: I was also wondering about that special assessment that we paid.

10:09:23 From Bob Dixon to Everyone: Thanks Adam...

10:09:32 From Linda Keller to Everyone: Thank you.

10:13:27 From Bob Dixon to Everyone: GREAT job Karen...

10:13:35 From Marge to Everyone: If you let this go we will probably never be able to find water. Would it be worth another due diligence time section?

10:18:31 From Bob Dixon to Everyone: I applaud the board to keep issues like this moving forward and taking the appropriate stance on this.

10:20:15 From Bob Dixon to Everyone: I encourage the board to schedule the STR discussion asap.

10:20:59 From Marge to Everyone: I agree with Bob about scheduling STR Meeting

10:27:49 From Bob Dixon to Everyone: I applaud Adam for taking this approach as it is right thing to do or you will burn out...

10:35:07 From suzanna.magill to Everyone: Exactly!

10:39:12 From Bob Dixon to Everyone: That is not TRUE...

10:39:48 From John Barber to Everyone: I move to Adjourn

10:41:38 From Bob Dixon to Everyone: One member has brought a lawsuit in the 18 years I have been here.

10:49:55 From ELHA BLE to Everyone: Ute, I was present at your first appearance in a board meeting years ago. You had nothing good to say about the community, members present asked why you even purchased property. You continued to little understanding, showed nothing but divisive rhetoric. You showed me who you were at that meeting.