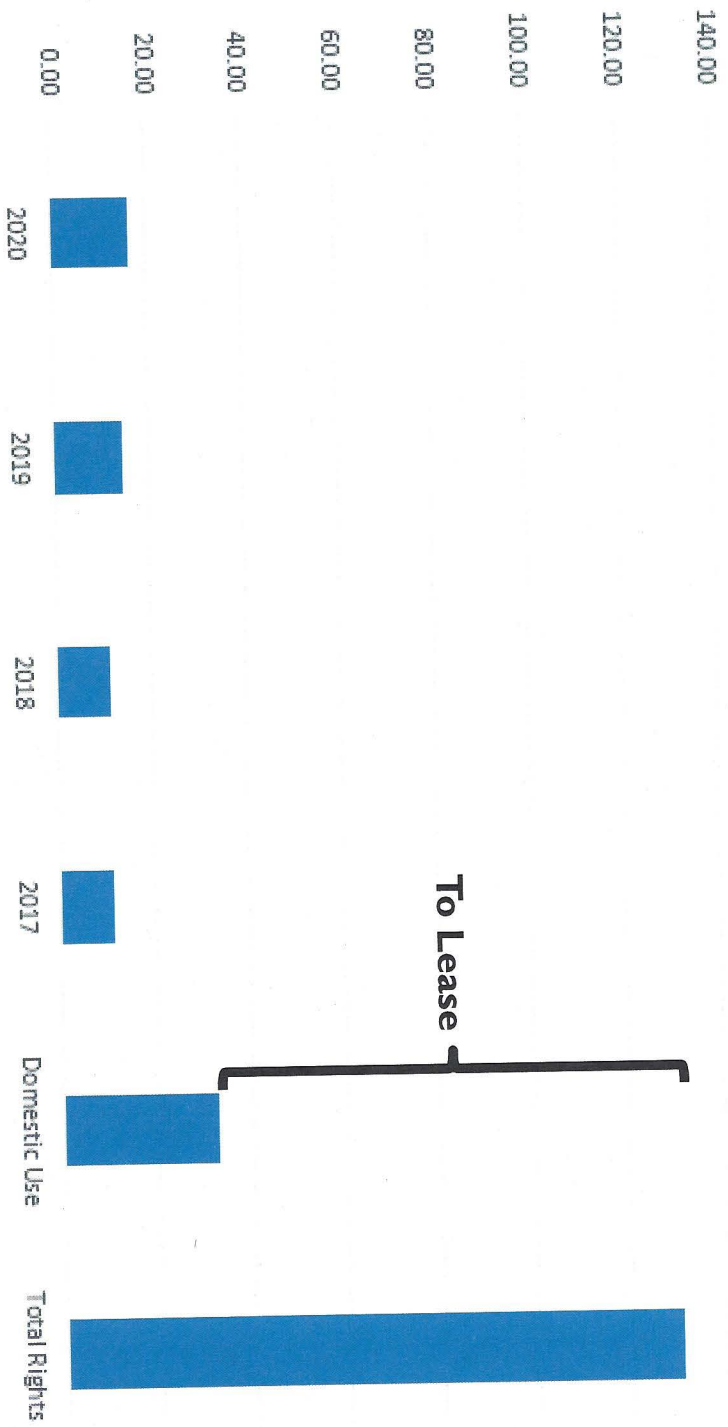


WATER RIGHTS AND USAGE

- The Association owns the rights to 131 shares (acre-feet) of water per year - one share per lot.
- We pay annual fees to various entities to maintain these rights.
- In addition to the fees, we are required (eventually) to prove beneficial use (that we are using the water as planned). We will begin this process in 2021.
- On average, we use 10% of the total water rights, though the trend is rising (see graph on next slide)
- However, the system (wells, pumps, tank) anticipated .25 acre feet per cabin maximum usage (domestic use). So we should never expect to use more than $.25 \times 131 = 32.75$ acre feet per year.
- Beginning this year we will lease a portion of the water rights we are not using.
 - This doesn't mean we will pump the water and give it to someone else. We will simply temporarily transfer our right to use that quantity of water to another location in the county.
- Two benefits: 1) revenue to the association; 2) demonstrates usage of the water rights

Annual Usage in Acre Feet



ASPEN COVE HOA BOARD ASSIGNMENTS - 2021

OFFICERS

Dan Allen	President/Roads	Bill Pay, Board Meetings, Dust Control, Snow Removal, Repairs
Bonnie Seastrand	Secretary	Minutes, Member Directory
Curtis Steele	Treasurer	Financial Accounting, Budgeting, Annual Audit

BOARD MEMBERS

Jared Edwards	Common Areas, Gates	Maintenance & Repairs, New Development, Signs
Bob Conner	Security/Information Technology	Cameras, Website, Database (Dropbox), Signage
Allen Rowe	Weeds	Inspections, Notifications, Training, Assessment of Fines
Bob DalPonte	Water System	Maintenance of Water System
Scott Harding	Member Services	Newsletter, Notices, Member Meetings
Scott Jarrett	Common Areas, Gates	Maintenance & Repairs, New Development, Signs
Bob Ballantyne	Architectural Committee	Approvals, Inspections, Communications with Board

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Index Utah Code
Title 57 Real Estate
Chapter 8a Community Association Act
Part 2 Administrative Provisions
Section 211 Reserve analysis -- Reserve fund.
Effective 5/8/2018

Effective 3/8/2018
57-8a-211. Reserve analysis -- Reserve fund.

- (1) As used in this section:
- (a) "Reserve analysis" means an analysis to determine:
 - (i) the need for a reserve fund to accumulate reserve funds; and
 - (ii) the appropriate amount of any reserve fund.
 - (b) Reserve fund line item" means the line item in an association's annual budget that identifies the amount to be placed into a reserve fund.
 - (c) "Reserve funds" means money to cover the cost of repairing, replacing, or restoring common areas and facilities that have a useful life of three years or more and a remaining useful life of less than 30 years, if the cost cannot reasonably be funded from the general budget or other funds of the association.
- (2) Except as otherwise provided in the governing documents, a board shall:
- (a) cause a reserve analysis to be conducted no less frequently than every six years; and
 - (b) review and, if necessary, update a previously conducted reserve analysis no less frequently than every three years.
- (3) The board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the board, to conduct the reserve analysis.
- (4) A reserve fund analysis shall include:
- (a) a list of the components identified in the reserve analysis that will reasonably require reserve funds;
 - (b) a statement of the probable remaining useful life, as of the date of the reserve analysis, of each component identified in the reserve analysis;
 - (c) an estimate of the cost to repair, replace, or restore each component identified in the reserve analysis;
 - (d) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the reserve analysis during the component's useful life and at the end of the component's useful life; and
 - (e) a reserve funding plan that recommends how the association may fund the annual contribution described in Subsection (4)(d).
- (5) An association shall:

- (a) annually provide lot owners a summary of the most recent reserve analysis or update; and
 - (b) provide a copy of the complete reserve analysis or update to a lot owner who requests a copy.
- (6) In formulating the association's budget each year, an association shall include a reserve fund line item in:
- (a) an amount the board determines, based on the reserve analysis, to be prudent; or
 - (b) an amount required by the governing documents, if the governing documents require an amount higher than the amount determined under Subsection (6)(a).
- (7) (a) Within 45 days after the day on which an association adopts the association's annual budget, the lot owners may veto the reserve fund line item by a 51% vote of the allocated voting interests in the association at a special meeting called by the lot owners for the purpose of voting whether to veto a reserve fund line item.
- (b) If the lot owners veto a reserve fund line item under Subsection (7)(a) and a reserve fund line item exists in a previously approved annual budget of the association that was not vetoed, the association shall fund the reserve account in accordance with that prior reserve fund line item.
- (8) (a) Subject to Subsection (8)(b), if an association does not comply with the requirements described in Subsection (5), (6), or (7) and fails to remedy the noncompliance within the time specified in Subsection (8)(c), a lot owner may file an action in state court for:
- (i) injunctive relief requiring the association to comply with the requirements of Subsection (5), (6), or (7);
 - (ii) \$500 or the lot owner's actual damages, whichever is greater;
 - (iii) any other remedy provided by law; and
 - (iv) reasonable costs and attorney fees.
- (b) No fewer than 90 days before the day on which a lot owner files a complaint under Subsection (8)(a), the lot owner shall deliver written notice described in Subsection (8)(c) to the association.
- (c) A notice under Subsection (8)(b) shall state:
- (i) the requirement in Subsection (5), (6), or (7) with which the association has failed to comply;
 - (ii) a demand that the association come into compliance with the requirements; and
 - (iii) a date, no fewer than 90 days after the day on which the lot owner delivers the notice, by which the association shall remedy its noncompliance.
- (d) In a case filed under Subsection (8)(a), a court may order an association to produce the summary of the reserve analysis or the complete reserve analysis on an expedited basis and at the association's expense.
- (9) (a) Unless a majority of association members vote to approve the use of reserve fund money for that purpose, a board may not use money in a reserve fund:

ASPEN COVE HOA RESERVE ANALYSIS - 2020
 UTAH CODE §7-8a-211 Reserve analysis -- Reserve fund. (Effective 5/8/2018)

(4) A reserve fund analysis shall include: COMPONENT (4)(a) (Items having a useful life > 3 and < 30 years)	YEAR PLACED IN SERVICE	USEFUL LIFE (4)(b)		REPAIR/REPLACEMENT COST (4)(c)		CURRENT YEAR CONTRIBUTION REQ'D (4)(d)
		ORIGINAL	REMAINING	TOTAL	IN RESERVE	
5 HP Well Pump*	1999	15	0	\$7,000	\$0	\$7,000
10 HP Well Pump	2013	15	8	\$6,782	\$0	\$6,782
Water System Controls	2019	10	10	\$4,543	\$0	\$4,543
Fire Pump	2019	15	15	\$7,867	\$0	\$7,867
Booster Pump #1	2019	15	15	\$4,269	\$0	\$4,269
Booster Pump #2	2019	15	15	\$4,268	\$0	\$4,268
Water Tank Repair	1999	30	9	\$25,000	\$0	\$25,000
Front Gate	2014	20	14	\$9,140	\$0	\$9,140
Front Entrance Landscaping	1999	10	0	\$10,000	\$0	\$10,000
Tennis Court Surface*	1999	10	0	\$11,500	\$0	\$11,500
Basketball Court Surface*	1999	10	0	\$6,000	\$0	\$6,000
General Contingency			0	\$10,000	\$0	\$10,000
TOTALS				\$106,369	\$0	\$106,369

*Dates and costs for these items are estimates. The others are supported by actual invoices.

Reserve Funding Plan (4)(e)

2020 - First year of reserve funding plan:

1. All items having a useful life of zero years will be funded into the reserve account immediately (per table above).
2. Items having a remaining useful life greater than zero will be funded per the calculation in the table for each item.
3. Funding will be drawn from existing cash on hand and will be placed in a new, separate reserve fund.

2021 and beyond:

1. Reserve analysis will be recalculated annually, adjusted for repairs and replacements, deposits, and updated information.
2. Contributions to the reserve fund will be a line item on the annual budget and presented at annual member meeting.
3. Funding will be drawn from existing cash on hand or a supplemental assessment as deemed necessary by the board.

\$50,376

ASPEN COVE HOA

RESERVE ACCOUNT RECONCILIATION

2020

OPENING BALANCE	1/1/2020		\$	-
CONTRIBUTIONS			\$	50,326.00
INTEREST INCOME			\$	11.89
EXPENDITURES				
WATER SYSTEM CONTROLS		\$ 6,154.30		
FRONT ENTRANCE LANDSCAPING		\$ 13,620.00		
				\$ 19,774.30
ENDING BALANCE	12/31/2020			\$ 30,563.59

ASPEN COVE HOA RESERVE ANALYSIS - 2021
 UTAH CODE 57-8a-211 Reserve analysis -- Reserve fund. (Effective 5/8/2018)

(4) A reserve fund analysis shall include:

COMPONENT (4)(a) <small>(Items having a useful life > 3 and < 30 years)</small>	YEAR PLACED IN SERVICE	USEFUL LIFE (4)(b)		REPAIR/REPLACEMENT COST (4)(c) TOTAL	IN RESERVE	REMAINING	CURRENT YEAR CONTRIBUTION REQ'D (4)(d)
		ORIGINAL	REMAINING				
5 HP Well Pump*	1999	15	0	\$7,000	\$7,000	\$0	\$0
10 HP Well Pump	2013	15	7	\$6,782	\$848	\$5,934	\$848
Water System Controls	2020	10	10	\$6,152	(\$5,700)	\$11,852	\$1,185
Fire Pump	2019	15	14	\$7,867	\$524	\$7,343	\$524
Booster Pump #1	2019	15	14	\$4,269	\$285	\$3,984	\$285
Booster Pump #2	2019	15	14	\$4,268	\$285	\$3,983	\$285
Water Tank Repair	1999	30	8	\$40,000	\$2,778	\$37,222	\$4,653
Front Gate	2014	20	13	\$9,140	\$653	\$8,487	\$653
Front Entrance Landscaping	2020	10	10	\$10,000	(\$3,620)	\$13,620	\$1,362
Tennis Court Surface*	1999	10	0	\$11,500	\$11,500	\$0	\$0
Basketball Court Surface*	1999	10	0	\$6,000	\$6,000	\$0	\$0
General Contingency			0	\$10,000	\$10,000	\$0	\$0
TOTALS				\$122,978	\$30,552	\$92,426	\$9,794

*Dates and costs for these items are estimates.
 The others are supported by actual invoices.

	Average 2012-19	2019 Actual	2020 Actual	2020 Budget	2021 Budget
Revenue					
HOA Dues					\$ 73,660 (580 * 127)
Collections-Past Due Accounts					\$ 3,000
Leasing Water Shares					\$ 2,500
Other-Impact Fees, Interest					\$ 4,000
Total Revenue	\$ 67,064	\$ 93,735	\$ 65,765	\$ 72,065	\$ 83,160
Expenses					
WATER SYSTEM					
Water System Management	\$ 2,420	\$ 6,920	\$ 7,119	\$ 6,780	\$ 7,000
Water Shares	\$ 1,000	\$ 1,332	\$ 1,097	\$ 1,350	\$ 1,250
Water System Maintenance	\$ 5,908	\$ 24,775	\$ 745	\$ 4,000	\$ 1,500
Power	\$ 4,726	\$ 5,952	\$ 4,144	\$ 4,500	\$ 4,500
	\$ 14,054	\$ 38,978	\$ 13,105	\$ 16,630	\$ 14,250
ROADS					
Dust Control	\$ 7,302	\$ 10,702	\$ 10,643	\$ 10,500	\$ 10,750
Road Maintenance	\$ 7,276	\$ 3,620	\$ 5,904	\$ 6,500	\$ 6,500
Snow Removal	\$ 15,150	\$ 47,831	\$ 21,447	\$ 20,000	\$ 21,000
	\$ 29,728	\$ 62,152	\$ 37,993	\$ 37,000	\$ 38,250
MEMBER SERVICES					
State Park Passes	\$ 9,339	\$ 9,375	\$ 9,375	\$ 9,450	\$ 12,700 (100 * 127)
Common Area Maintenance	\$ 1,256	\$ 1,150	\$ 1,672	\$ 2,500	\$ 1,500
Annual Mtg./Mbr Service	\$ 130	\$ 30	\$ 20	\$ 100	\$ 100
Website Management	\$ 35	\$ -	\$ 130	\$ 100	\$ 175
	\$ 10,758	\$ 10,555	\$ 11,197	\$ 12,150	\$ 14,475
GATES/SECURITY					
Gates - Maintenance	\$ 1,576	\$ 30	\$ 1,820	\$ 700	\$ 500
Gates - Comms & Controls	\$ 507	\$ 1,252	\$ 1,175	\$ 900	\$ 1,250
Security	\$ 405	\$ -	\$ -	\$ 1,500	\$ 1,500
	\$ 2,488	\$ 1,282	\$ 2,995	\$ 3,100	\$ 3,250
ADMINISTRATIVE/GENERAL					
Corporate Dues	\$ 57	\$ -	\$ 334	\$ 325	\$ 350
Liability Insurance	\$ 668	\$ 830	\$ 845	\$ 850	\$ 850
Office Supplies	\$ 537	\$ 246	\$ 173	\$ 500	\$ 1,000
Postage	\$ 235	\$ 205	\$ 179	\$ 250	\$ 250
Property Tax	\$ 644	\$ 666	\$ 220	\$ 350	\$ 250
	\$ 2,141	\$ 1,948	\$ 1,751	\$ 2,275	\$ 2,700
Total Expenses	\$ 59,169	\$ 114,915	\$ 67,041	\$ 71,155	\$ 72,925
Contribution to Reserve Fund					
	\$ 7,895	\$ (21,180)	\$ (1,276)	\$ 910	\$ 441
Net Income (loss)					

CASH BALANCES

Cash Balances	12/31/19	12/31/20
Operating Account(s)	67,365	16,598
Reserve Account	0	30,564
Total Cash	67,365	47,162

(20,203)



WHAT IS THE APPROPRIATE ROLE OF THE HOA IN A TAX DISPUTE?

- Communications with real estate attorney Scott Sabey...
- No apparent statutory pathway to municipal status (code section 10-2)
- Special Service District (code section 17D) might be a possibility, but what would it really accomplish? Would the county let go of their Municipal Services Tax? Who would administer? How would it benefit our community?
- The HOA board has no authority to expend association resources on a fight with the county.
- Tax concerns reside primarily with cabin owners...50% of lots.
- Feedback from owners having property in other parts of Carbon County have experienced similar tax increases... No real evidence that Aspen Cove has been singled out for unfair treatment (other than lack of services provided).

WHAT'S HAPPENED SINCE SEPTEMBER?

- Appointment of Bob Ballantyne as chair and lead person for Aspen Cove tax issues:
 - Bob's phone # 801-636-9953
 - Bob's email robertballantyne@gmail.com
- Coordination with Ms. Cheryl Lupo, who is a Spring Glen, Utah resident
 - One of 5 sponsors championing an effort among unincorporated residents of Carbon County to significantly reduce or potentially eliminate the Municipal Service Fund
 - Organizing a non-profit titled People For the Carbon County Property Tax Initiative; there is also a Facebook group by the same name.
 - Cheryl's phone # 435-650-4202
 - Cheryl's email cheryl.lupo13@gmail.com
- This process will take some time and patience, with no guarantee of success.

People For the Carbon County Property Tax Initiative
Objective and Goal for 2021

- A) Reduce the Municipal Service assessment from 833% down to a more reasonable 50% increase. (or see option B below).
- B) Eliminate the Municipal Service Assessment completely and force the County to Charge AD HOC by incident and individual service call IE., Range Fire call out, Animal Control call out, Drug enforcement call out.
- The approach to accomplish this will be to file an initiative petition and/or referenda. Part of the process of an Initiative Petition or Referenda will be to gather signatures by the appropriate number of registered voters to repel or revoke or modify the resolution that was put into place in December 2019, Resolution 2019-09. This process is well on its way!