COMMUNITY connections

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Q3 | 2022

Q3 Photo Contest Winner: David Ford-Coates, Alliance Association Bank

INSIDE

SOUTHERN COLORADO CHAPTER
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CALENDAR OF EVENTS

JAN

11 Education Luncheon: January Jumpstart

FEB

08 Education Luncheon
09-12 National Law Seminar

MAR

08 Education Luncheon
16 New Member Breakfast

APR

07 Speed Networking
12 Education Luncheon
16 Board Leadership Development Workshop (Virtual)
22 Annual Bowling Tournament

MAY

04-07 National Annual Conference
10 Education Luncheon
11 CLAC Trivia Event

JUN

10 Flying W Ranch Event
14 Education Luncheon (Onsite at community)

JUL

22 Annual Golf Tournament

AUG

09 Law Day

SEP

12 CLACsic Golf Tournament
13 Annual Meeting/Education Luncheon
23 Annual TopGolf Tournament

OCT

06 Business Partner Sponsored Happy Hour
11 Education Luncheon
12-15 National CEO-MC Retreat
15 Board Leadership Development Workshop
19 New Member Breakfast

NOV

08 Education Luncheon

DEC

13 Year-End Celebration, Awards, Board Installation & Charity Donation Event

MISSION STATEMENT

The mission of the Southern Colorado Chapter of CAI is to provide necessary resources to members of community associations, their management, and expert service providers to the advancement of the HOA Community.

COMMUNITY connections

Q3 | 2022

COLUMNS

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ADVERTISING
All ads must be to the required format and specifications or additional charges will apply. All ads must be prepaid. Advertising in Community Connections is a benefit of membership, and you must be a member to advertise. Acceptance of advertising in this magazine does not constitute endorsement of the products or services. Rates available upon request. All advertisements are subject to CAI SoCo approval.

2022 EDITORIAL CALENDAR

ISSUE	ARTICLES DUE	ADS DUE
Q4	SEPT 9	SEPT 16

What Our CED Has to Say

JASON A. HANN
Chapter Executive Director
CAI of Southern Colorado

It is hard to imagine an entire quarter has already passed by since I joined the CAI SoCo family but it's as they say, "time flies when you're having fun!" I think maybe we should revamp that to, **"time flies when you don't have enough of it!"**

We all feel the time crunch when trying to balance family, work, friends, volunteering, health, socializing, and fun so for everyone who feels the stress, you're not alone! These past few months I've felt like I'm digging a hole in sand, so for everyone who's helped introduce me to CAI, worked on some items with me as I get acquainted, or just given me grace and patience for all I'm working on...thank you!

It seems like the people who do SO much already get asked to do even more... why? Because you've demonstrated your ability to deliver and that is a rare trait these days. Within CAI it is no different. You all volunteer your time for various reasons and for that we are forever grateful! As this year slowly comes to an end, I can tell some of you are worn thin but please don't give up – we have great new things on the horizon and next year promises to the best yet. Not only are we getting new programs in place but we are alleviating a lot of work you've been shouldering for far too long. I promised to work FOR you and that is exactly what I've been doing the past several months but I must admit, there is a lot behind the scenes that is in need of a lot work. Never fear though...WE can do it together!

Here is what we are working on to make your experience in CAI SoCo better:

- New website that has current information and easier navigation
- New programs for education and business relationships
- New events and more opportunities to get involved with your community
- Changes to sponsorship investments to better align with your business needs
- More resources for business, legislative updates, and networking
- Some added perks for being a CAI SoCo member unique to our chapter

Ultimately, I hope to create the environment where our CAI family doesn't feel like work and we all reap the benefits of this organization. As we press on towards all these changes, I'm extremely happy to see a lot of enthusiasm and new faces willing to step up and take on some of the challenges we face. I'm also excited that we continue to have the veterans of CAI who've been in the trenches for so long keeping us afloat, reinvigorated with new found energy!

I believe hard work should come with rewards and we've all been working really hard these past several years...it's time to reap some of the rewards! If you haven't had the chance to meet up with me or if you have ideas you'd like to share, I would love to hear them so reach out anytime!

COMMUNITY connections

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PRESIDENT'S LETTER

HEATHER SMITH
Chapter President,
CAI of Southern Colorado

Our clients were dealt a severe blow by the Colorado Legislature these past few months. Changes in legislation emphasize the importance of industry professionals to ban together to deliver the highest level of support to the community associations we serve. Now, more than ever, our membership's dedication to education and proper advisement is essential! At some point in our careers, we have all faced the challenge of correcting errors resulting from improper or unprofessional advice as we work to bring progress to the communities we represent. The Southern Colorado Chapter of CAI provides each Manager Member and Homeowner Leader an invaluable pool of professional resources to draw from. Lean on each other, reach out to your Business Partners and Colleagues for solutions. None of us knows it all, but Members using Members makes each of us successful!

My sincere gratitude goes out to all of our committee volunteers who have worked tirelessly to continue creating opportunities for all of our Membership to strengthen relationships, Creating Connections -- Being Our Best...Together throughout 2022 and beyond.

Thank you all for being a part of CAI Southern Colorado!

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Voting is open to current CAI Southern Colorado Members Only. Please check your registered email address for your electronic ballot. Voting will close on September 7th at 4:00p.m

For detailed interview questions from our new candidates please visit our website under: About Us - 2023 Board of Director Candidates.

VOTE NOW

Up for Re-Election:

DANIELLE HOLLEY

Danielle Holley currently serves on the 2022 Board of Directors and is the Chapter's Treasurer. She is also the liaison for the Golf Committee and the Membership Committee.

She is the Director of Client Services at Hearn & Fleener, Construction Attorneys.

NEW BOARD CANDIDATE:

JESSICA WALKER

Jessica Walker has been a long-term member of CAI SoCo and has served on the membership committee.

She is the Associate Regional Director for Hammersmith Community Association Management.

NEW BOARD CANDIDATE:

DAVID FORD-COATES

David Ford-Coates is a CAI champion and serves both the Southern Colorado and Rocky Mountain Chapters on various committees.

He is the Vice President of HOA Banking for Alliance Association Bank for the Colorado, Wyoming, and Montana region.

Friday, September 23rd

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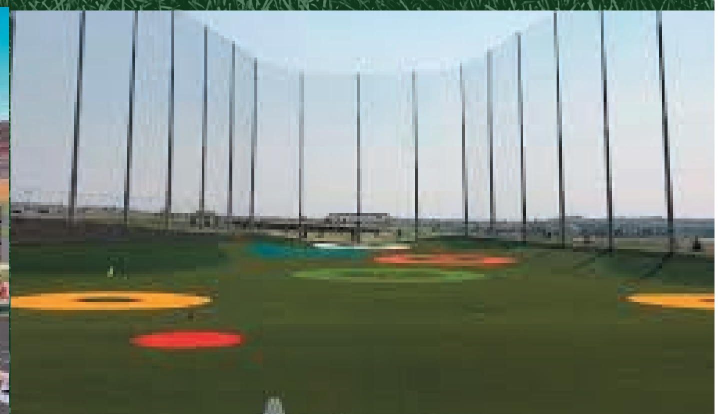
2:30 to 5:30 PM

TopGolf Tournament



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CONSIDERATIONS WHEN BUYING AN HO-6 POLICY

ALYSSA CHIRLIN
Smith Jadin Johnson, PLLC

As associations plan their annual budgets, they, and their members, should, as part of that process, reassess their insurance needs. Under CCIOA, associations are required, at minimum, to obtain property insurance on their common elements and declarations can expand on that requirement, often to align with associations' maintenance obligations. Associations are often not required to insure elements that they are not required to maintain and owners should obtain HO-6 policies to insure these elements, which are typically their units and personal property.

Associations, and mortgage companies, may require that owners purchase an HO-6 policy, but even without these requirements, an HO-6 policy is a must-have for owners of condominium units and townhomes. HO-6 policies not only cover physical damage to units, including damage caused by water intrusion, fire, or theft, but, importantly, they can also cover an owner's portion of their association's insurance deductible.

When an association experiences a covered loss under its master insurance policy, it typically must still pay a deductible, which can be a significant expense. Due to the frequency of hailstorms in Colorado, many associations have seen an increase in deductibles for hail and wind claims, which are often expressed as a percentage of the total value of the coverage offered under the policy. Not surprisingly, these deductibles can run into the hundreds of thousands, even millions, of dollars. When associations pass the cost of these deductibles onto their members through assessments, owners can face assessments of tens of thousands of dollars. Even lower assessments can be substantial amounts to cover out-of-pocket, which is why an HO-6 policy is indispensable.

Until recently, an HO-6 policy would likely cover an owner's portion of the association's deductible as long as the owner owned the unit and held the policy on the date when the assessment of the deductible portion occurred. The date that the actual damage occurred was irrelevant. Recently, however, some insurance companies have updated the terms of their HO-6 policies to

continued on page 10

redefine the date of loss of the claim, leaving some owners without coverage.

Now, some HO-6 policies only offer coverage for deductible assessments if the owner owned the unit and held the policy on the date when the damage occurred. An owner's claim can therefore be denied if they did not own the unit at the time of the storm or held a different insurance policy.

It is not uncommon for wind and hail damage insurance claims to take years to finalize. While the claim is being settled, owners sell their units and change their insurance policies. An owner that buys a unit after a storm but before the deductible is assessed will have their claim denied if they have one of the newer HO-6 policies that require coverage on the date of the damage. Similarly, a claim could be denied if an owner has switched policies or carriers between the date of the storm and the date of the deductible assessment, even if they have remained in the same unit the entire time.

In light of this risk, it is important for associations and community managers to complete resale disclosures thoroughly, disclosing any potential deductible or special assessments, even if they have not yet been incurred or approved at the time of the disclosure. This will allow buyers of units to prepare for potential deductible assessments and to ensure that they obtain appropriate insurance coverage.

Another issue that owners should consider when reviewing their HO-6 policies is any coverage limitation. Specifically, some HO-6 policies limit coverage for a deductible assessment, sometimes to as little as $1,000.00. An owner should compare any such limits in their HO-6 policy with the coverage limits and deductibles of their association's insurance policy to ensure that, in the event of a deductible assessment, they would be reasonably covered.

Every owner of a condominium or townhome should procure HO-6 COVERAGE. Investing a relatively small amount of time in reviewing their HO-6 policy, and discussing the issues detailed above with an insurance professional, can potentially save an owner substantial amounts of money in the long run.

Alyssa Chirlin *is an attorney at Smith Jadin Johnson, PLLC, a law firm that handles all of an association's legal needs, from daily governance issues such as collections and governing document drafting to insurance claim and construction defect matters.*


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Photo credit: Steve Kouri

TAKE CARE OF YOU

JASON STEPHENSON
RowCal

Take care of you! Advice that's easy to offer, yet often hard to model, especially in an industry where we all strive to take care of homeowners and board members to the best of our abilities. Taking care of oneself is an untapped skill that we all should aspire to master. In an ever changing, high-demand work environment, it is crucial to be aware of the impact it has on your mental stamina. Too often we get engulfed with the day-to-day tasks of community management, that we do not realize the amount of time that has gone by each day. You walk in Monday morning and the next thing you know it is Friday again. In a matter of hours, you can go from reviewing financials to interacting with vendors, from speaking with homeowners to drafting a newsletter. All while managing various projects. We cannot forget preparing for the next board meeting. There are dozens of items to tackle on a daily basis.

It is a lot to take on as we all also have responsibilities outside of our careers that require time and attention. A useful tip that can help with setting time for yourself is doing just that, setting time for yourself. Block out 10-minute brain breaks during busy work days and step away from work all together during lunch. Prioritization needs to be addressed promptly and what can and can't wait to be acted upon. There will always be another fire and when you add multiple properties into the mix, it is important to balance your time appropriately. Another tip is to set boundaries with your time and know when to turn off work. Once you leave for the day, remind yourself that unless it is a true emergency it can wait until tomorrow.

You are not stepping away from work if you are checking emails and answering phone calls on your time off. If you do not disconnect, you are not allowing time for yourself to reset.

As we end the summer season, it is an exciting time to get out and create moments. A wonderful time to try things you have never tried and to go to places you've always wanted to see. Spend time with family and friends, go for a hike, or even an outdoor concert. There are so many remarkable things to get out and do. Summer is also the busy season within the industry. That is why it is crucial to establish a balance with your time to be sure you can enjoy the warm weather! Again, life is about creating memorable moments, while fulfilling our daily obligations.

Be sure to take time away from serving others and do the things that you genuinely enjoy. We are in the business of building relationships and managing expectations. We should value ourselves as individuals, just as much as we value our clients. Without a proper work-life balance, we truly cannot be the best versions of ourselves.

Self-love shall always be VIRTUOUS and TRUE.

Jason Stephenson *is the Director of Community Management for RowCal. He has been in the HOA realm for 5 years and enjoys the day to day challenges of the industry as well as being able to assist internal and external customers.*

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SAVE THE DATE!

Board Leadership Development Workshop

- Module 1: Governing Documents and Roles & Responsibilities
- Module 2: Communications, Meetings and Volunteerism
- Module 3: Fundamentals of Financial Management
- Module 4: Professional Advisors & Service Providers
- Module 5: Association Rules & Conflict Resolution


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New Member Breakfast

Date: Wednesday, October 19
Time: 9:00-10:30am

Save The Date!

Location to be announced shortly

RESERVE STUDY BASICS

BRYAN FARLEY, RS
President, Association Reserves, CO/UT/WY

Many readers of this newsletter may have heard the term 'Reserve Study' before, however, how many could explain it to their neighbor in a simplified way? Well, thankfully you don't have to, just show them this article and save yourself some time.

The reason a community needs a Reserve Study is to understand the annual deterioration costs of the property to make sure that all owners, today and in the future, pay their fair share each and every month.

A board understands the importance of their operating costs (landscaping, snow removal, water, gas) because these expenses occur on a daily/monthly/yearly basis. These costs are easy to understand because the board knows that if they neglect to pay their cost for the service, then that service will not occur. Meaning, if the board decides to not pay their water bill for the month, then they will immediately see the consequences of their choice.

However, the same board will neglect their two million dollar asphalt parking lot deteriorioration, even though the asphalt is failing every single day in front of their eyes. Yet, once the board sees a bid proposal to resurface their asphalt, the most common reaction is shock, denial, and then anger that no one had planned for this expense.

Why does this happen? This happens due to human nature. Researcher, George Ainslie, found that,

> ***"humans tend to opt for immediate rewards instead of rewards down the pike, even if the later rewards are greater. For example, when offered $50 now instead of $100 in a month, most people will choose the fifty bucks."****

If you live in an HOA, then you have probably noticed this. You may have asked yourself, "Why should I be paying for new asphalt in 15 years when I won't be living here in 15 years?" Like most people, you would rather not pay now and not pay later.

However, what is the **best** option?

Here are a few tools to help boards and their owners understand their Reserve Study needs in just a few minutes, and put their Reserve Study findings into action.

#1 Annual Deterioration Rate

If you take a look at your Reserve Study, then look for the annual rate of deterioration.

Think of the annual rate of deterioration as the 'bill' or 'cost' of your reservable assets. That means that regardless of whether an owner lives in a community for one year, or twenty years, that owner needs to pay the deterioration cost for every single year that they live in that community. This will allow an equitable spread of the community's costs over the lifetime of the property's assets. It forces the board to look at the reserve expenses as a current annual cost. If the board can frame the reserve expenses as a current and necessary cost, then the ownership cannot just pass the buck along to the future owners.

For example, a property has about $38,000 in annual deterioration costs. Let's say that there are (35) unit owners that contribute into the reserve account. That means each owner needs to offset at least ~$1,100 per year in deterioration costs. To break it down even further, every single day the cost of this property's deterioration for each owner comes out to ~$3 a day.

Therefore, in order to just keep pace with the deterioration, each homeowner at this property needs to contribute ~$3 per day into the reserve account to break even with the ongoing maintenance deterioration.

This is the cost or the bill of the reserves for the property. If the current group of ownership decides to either not contribute to reserves or to significantly underfund reserves, then the costs will just compound year over year and the community will get further and further behind.

#2 Recommended Contribution Rate

Once the annual deterioration rate has been established, the next step is to offset the inevitable deterioration with ongoing reserve contributions that get the property financially ahead.

On average, a well funded property contributes anywhere from 20%-40% more than their annual rate of deterioration. Using the example above, a property that has about $38,000 in annual deterioration costs should be putting away around $49,000 a year into reserves.

The difference between the annual deterioration rate and the recommended contribution rate, in this case $11,000, represents the amount needed to outperform inflation and a potential shortfall due to prior years of underfunding.

It is more important for the board to pursue adequate ongoing reserve contributions then try to time their expenses. In other words, if the monies are predictably contributed on an ongoing basis, then the board will be prepared for a premature failure of a heater, or any other asset.

#3 Percent Funded

If the association begins to contribute at the amount recommended needed to adequately cover the annual deterioration and inflation costs, they will soon be considered a 'well funded' property. We determine which properties are well funded by their percent funded. Percent funded is found by a simple calculation:

It's easy to figure out the numerator of this equation: It's the amount of reserve funds (if any) that have already been set aside within the reserve account.

The denominator translates deterioration into monetary terms. It requires a calculation, combining the fraction of deterioration that has occurred to each and every component each year.

Percent funded tells us statistical risk for a property's reserves. If a property has a low percent funding level, for example between 0%-30%, then we know that statistically the property is at a high risk for special assessments, deferred maintenance, and cash flow deficiencies. However, when a property has a high percent funding level, 70% and above, then the property has a less than 1% risk of special assessments, deferred maintenance, and cash flow deficiencies.

The percent funded is a simple way to describe the current financial health of the property's reserve fund. A low percent funded does not mean that a property is 'bad'. A high percent funded also does not mean a property is 'good'. Percent funded just tells us current statistical risk. Each year, the percent funded of a property will change, either lower or higher, depending on the reserve contribution rate and whether or not reserve projects are completed on time.

Although we used a little math along the way, the hope is that this article can be used as a simple cheat-sheet at the next board meeting when there are questions on interpreting the data from the recently completed Reserve Study.

**George Michelsen Foy (2018, June 25). Humans Can't Plan Long-Term, and Here's Why https://www.psychologytoday.com/us/blog/shut-and-listen/201806/humans-cant-plan-long-term-and-heres-why*

***Bryan Farley, RS** is the president of Association Reserves, CO/UT/WY. Bryan has completed over 2,000 Reserve Studies and earned the Community Associations Institute (CAI) designation of Reserve Specialist (RS #260). His experience includes all types of condominium and HOAs throughout the Rocky Mountains.*

DEVELOPING AN *effective* BUDGET

TABITHA BARILE, CMCA, AMS
Diversified Association Management

In the association management industry, it seems as if we have a season for it all –spring/summer construction projects, annual meetings, snow removal, landscaping/irrigation projects, the list goes on. At this time of the year, we are now preparing for the annual budget season!

An association's budget is an integral part of managing an Association and their funds. Although the Board approves the annual budget and it's ratified by the membership each year, the Community Manager plays an important role in making recommendations to the Board and creating a draft budget for the Board.

There are a lot of moving parts that go into creating a draft budget and making recommendations to the Board. Although the annual budget provides a projection of the operating income and expenses, thought must also be put into the Association's reserve funds and anticipated reserve expenditures. Allowing oneself enough time to review financial reports, research possible increases, and evaluate reserve studies and upcoming reserve expenditures is critical to ensuring an appropriate annual budget is adopted.

It's best practice to begin by looking at the upcoming year's expenses first. Trying to "fit in" expenses within an expected income is not being the best advocate for your Association. Start with the expenses and then come back to determine what the assessments should be to properly fund the Association.

For the Community Manager, the first step in this process is to review the June financials for the Association. This will give you a good starting point to see how the Association is progressing with their current budget. Has the Association already overspent on a specific line item such as exterior maintenance or pet waste clean-up? Perhaps contracts increased mid-year and weren't accounted for in the current year's budget. The June financials will provide a snapshot view into areas where perhaps the upcoming annual budget will need to be adjusted for areas that were under- or over-budgeted during the current year.

Keep in mind that some items are seasonal as well. For instance, water usage may not be accurate in the June financials as irrigation may have just been activated in May. Or there could have been a one-off situation which led to a higher expense in the current year, maybe a water main break caused your water usage to skyrocket in June – this would not be something we would want to consider when proposing for the upcoming year. Remember, as the Community Manager, you are the expert on the Association, use your best judgement and knowledge of the Community when determining the proposed upcoming budget numbers.

Next, look at upcoming increases. As we're all aware, 2022 has brought on many increases, so it's important to consider this for the upcoming year as well. Labor costs, material pricing, gas and oil increases will most likely play a part in determining what the Association can expect to expense in the upcoming year. Also, utilize your Business Partners, they're the experts of their fields. They may be able to assist with determining possible increases for areas such as landscape maintenance contracts, insurance premiums, etc.

Finally, look at the Association's reserves. Review their reserve study for any anticipated work that may need to be done either in the following year or years to come. Is the Association properly funded for this work in the event it needs to be done? If not, what steps need to be taken to ensure that when it's time to focus on these capital improvements the Association is well-funded to be able to do so. As mentioned, the annual budget is utilized for forecasting operating income and expenses; however, properly budgeting for monthly or annual reserve contributions from the operating account will assist in ensuring that the Association is doing what is necessary to ensure a healthy reserve fund balance. Once the Community Manager has determined the estimated expenses for the upcoming year, then it's time to determine what the assessments should be.

It is the Community Manager's responsibility to make the best recommendation for the Association to the Board. This includes having the HARD CONVERSATION when assessments should be increased.

This is never a fun conversation; however, when you do the work outlined above and present to the Board the importance and reasoning behind the recommended increase it helps the dialogue go more smoothly.

Having this readily prepared for the Board also puts everyone one step ahead when it's time to present the annual budget to the owners during their annual meeting of the membership. It provides the education and tools necessary to convey the financial status of the association and reasoning behind the annual budget to the owners. That's right, another season approaches – Annual Meeting season!

***Tabitha Barile** joined Diversified Association Management in 2016 as a Community Services Associate and over the years worked her way up to the role of Director of Team Development. Tabitha attended the University of Colorado Colorado Springs and earned a Bachelor's degree in Leadership and Communication.*

Water Heater Leaks:

Common, Costly and Concerning

STEVEN FIELDING
President, AQUAGUARD, LLC

The governing boards of condominium associations worry about many things. Reserves, rules enforcement, insurance costs, maintenance, pets, parking and COVID are on a long list of things that keep trustees and association managers up at night. Water heaters probably are not always on that list— but they should be. Here are a few hard —or soggy —facts:

- Water damage is one of the two leading property damage risks faced by homeowners, representing nearly one-third of all homeowner claims filed annually, exceeded only by wind and hail damage.
- One in every 50 insured homeowners files a water damage claim every year; the average claim cost is about $7,000, adding up to more than $2.5 billion in insured losses annually, according to the Insurance Information Institute.
- There are no statistics on how many of those claims are attributable to water heaters but **75 percent of all water heaters will fail—usually without warning—within 12 years of their purchase**. So it is probably safe to assume that a sizable percentage of those water damage claims result from water heaters that leak or fail entirely.

It is also safe to assume that if a water heater leaks in a condominium building with attached units, the damage won't be confined to the unit in which the offending heater is located; the water and the damage will spread to adjacent units and common areas.

So multiply that average $7,000 claim by 10 or 20 units; add the potential damage to common areas; consider the risk of mold (a byproduct of water damage), the cost of remediating it, and the potential legal liability for the association if mold sickens some residents. Insurance industry analysts report that water damage claims in excess of $500,000 have doubled since 2015; claims exceeding $1million have tripled in that time period.

Also consider that associations dealing with common area damage will be paying a large deductible and may be filing an insurance claim, which could increase the association's premium costs. And now, perhaps, you begin to understand why water heaters should be on that list of association concerns.

PREVENTING DAMAGE

Why do water heaters fail? Age is the primary culprit. Water heaters have an average useful life of about 12 years. But the operative word here is "average." Some water heaters fail well before that 12-year mark; others perform like champs for much longer. The problem is – you can't predict when any given water heater is going to fail. There is no equivalent of a car's 'check engine' light to alert you to an issue you must address; you don't usually know a water heater is failing until it has dumped 80 gallons of water in your basement or your garage or your kitchen. As early warning systems go, this isn't terribly effective. Fortunately, there are some alternatives.

- Automatic shut-off valves. These units typically consist of a high quality valve installed directly into the plumbing line, and moisture sensors that send a 'shut-off' signal to an electric control box. The WAGS valve my company sells works on the same general principle, but it isn't powered by electricity. We use a spring mechanism wrapped with a water soluble sensor element that is placed in a drip pan under the heater. When water hits the sensor, it weakens, releasing the high-pressure spring and shutting the heater off after no more than one inch of water has accumulated in the pan.
- Water leak alarms. These units also use sensors that sound an alarm when water is detected, but owners must remember to turn the alarm on (they don't always) and someone has to be around to hear the alarm and able to act quickly, by turning off the water supply. A lot of water can leak and cause a lot of damage in a very short period of time.

You can prevent THIS...

EFFECTIVE MAINTENANCE

Shut-off valves and alarms can prevent damage – or reduce it – if a water heater leaks. Maintaining the heaters can go a long way toward preventing those leaks. Plumbers suggest that owners have their water heaters inspected – and drained – annually. Drainage will eliminate sediment that can build up inside a heater, reducing its effectiveness and possibly making the interior of the tank rust.

Regular inspections can also assess the condition of the temperature and pressure valve and monitor the condition of the anode rods (some units have one, others have two) that protect the tank from hard water minerals. As these rods erode over time, the protection diminishes, reducing the water heater's life and increasing the risk that it will fail prematurely. Replacing the rods when necessary can extend a water heater's life.

...and THIS

WHAT HOAS CAN DO

Condominium boards should deal with hot water heaters the same way they deal with other risks affecting the health and safety of residents or the community's property values and finances: By providing information that encourages responsible behavior by owners and adopting association policies that require it. A few specific suggestions:

1. **Educate homeowners**. Explain the damage leaking water heaters can cause to individual units and common areas.
2. **Encourage owners** to have their water heaters inspected at least annually by a qualified plumber.
3. C**onsider making annual inspections mandatory**, for the same reason that many associations require annual inspections of fireplaces – because poor maintenance of the equipment poses a potential risk to other residents and the entire community.
4. **Encourage – or require- owners to install automatic shut-off valves** or water sensor alarms on their water heaters.
5. **Require owners to replace water heaters older than 11 years**, with an exception for those who install automatic shut-off valves. Units with these devices can operate safely until they fail.
6. **Consider making the purchase and/or installation of shut-off valves an association expense**. Leaks pose risks to other units and common area=s —risks that owners have a shared interest in mitigating.
7. **Consult your insurance agent**. Some insurance companies require leak prevention devices on water heaters or strongly encourage them. Ask if your association's insurer is one of them. Installing shut-off valves community-wide may not reduce the association's insurance premium, although it would give your agent a strong argument for requesting a discount. But proactive risk management policies like this will improve the association's overall risk profile, which may help you secure a favorable premium rate. Preventing water heater leaks will also avoid the costly damage claims that can increase your premium and may make it more difficult to obtain the coverage the association needs.

Steven Fielding *is president of AQUAGUARD, LLC, which manufactures the WAGS Valve—a product he discovered as a consumer and liked so much, he bought the company that produces it. He is now on his third water heater with a WAGS valve. When the previous two heaters (operated long past their estimated useful life) failed, the valves worked perfectly, protecting his finished basement from water damage.*


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PLEASE JOIN US FOR OUR
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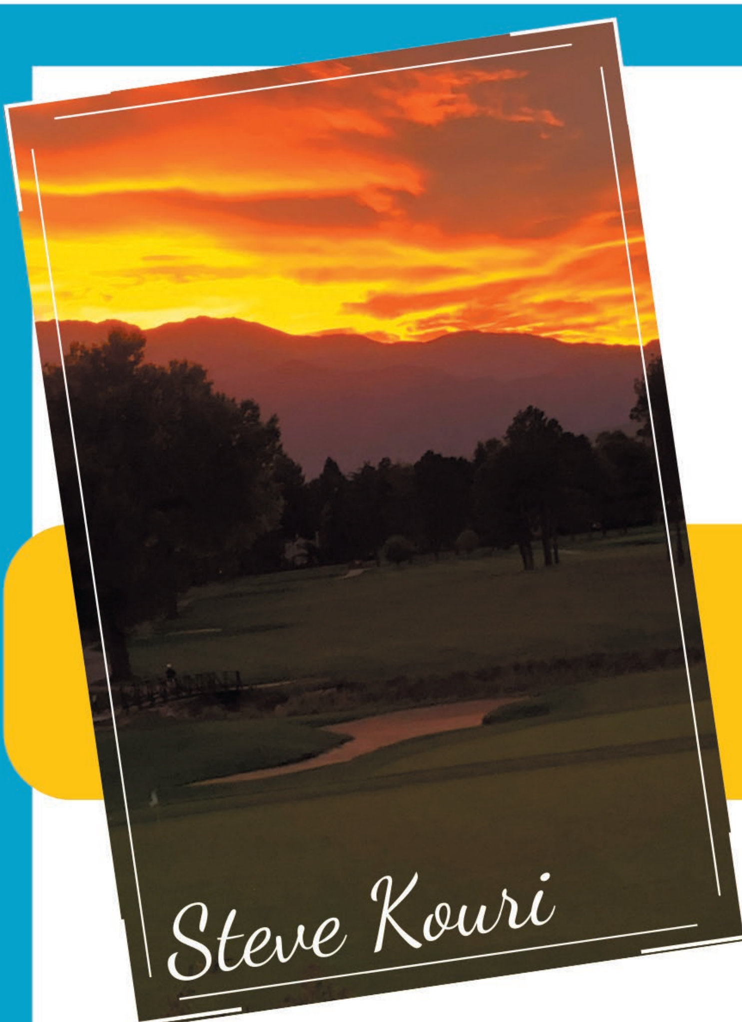
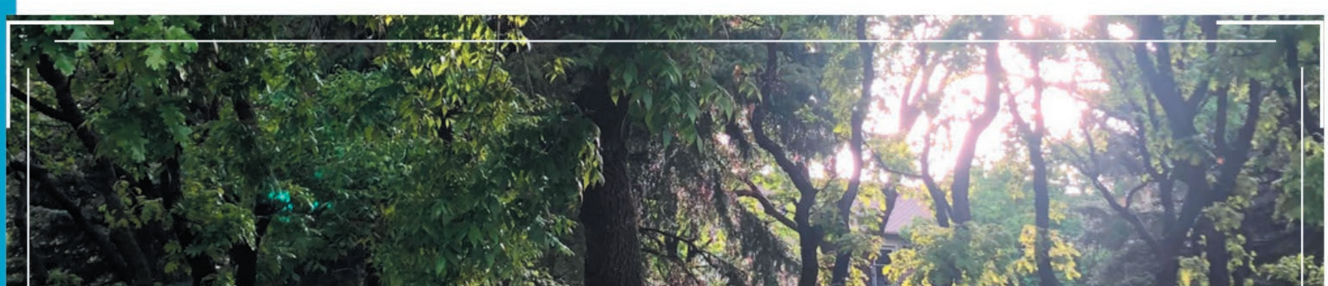
Photo Contest Runners Up





Great shots...keep those pictures coming!

SOUTHERN COLORADO CHAPTER
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Photo CONTEST

Everyone wants their 15 minutes of fame! Here's a chance to grab yours!

Not everyone can be featured on the cover of National Geographic, but one lucky CAI SoCo amateur photographer can grace the cover of our brand-new magazine each quarter in 2022!

The winner will have their photo featured on the front with credit given to the photographer! Second and third place will be honorably mentioned inside.

Cellphone and amateur photographers WELCOME!

SEND YOUR COLORADO PHOTO TO info@caisoco.org by September 9, 2022 to have your image considered.
Only CAI members can compete.

By submitting a picture, you are granting permission for the image to be published and edited for printing. Please submit only one photo (at least 300ppi resolution) with your name and approximate location the image was captured.

Congratulations
NEW DESIGNATIONS

Congratulations to our newest credentialed professionals! Earning a CAI credential demonstrates an elevated commitment to their professional education—and your community's welfare.
Visit **www.caionline.org** for more information.

CAI-SOCO is proud of the following individuals who have demonstrated a personal commitment to self-improvement and have elevated their practical knowledge and expertise:

Mr. John Martin, CMCA
CMCA | 05/05/2022

Ms. Cianna Danielle Herselius, CMCA
Colorado Association Services | CMCA | 05/24/2022

Mr. Jordan Ladner, CMCA
Diversified Association Management | CMCA | 06/09/2022

Mr. Kyle Stephen Wlodarczyk, CMCA
Diversified Association Management | CMCA | 06/23/2022

Mr. David Charles Stiver, CMCA
Team Strategy, Inc. | CMCA | 07/08/2022

Welcome
NEW MEMBERS

Earl Scott Glascock
All County Colorado Springs Company

Kari Rodriguez
All County Colorado Springs Company

AvidXchange

Amber Jones
Diversified Association Management

Katie Wigestrand
Diversified Association Management

Rob Buffington, CMCA
Gordian Staffing

Zach Milewski
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Justin Burns
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Todd Priddy
Pikes Peak Asphalt

Deanna Barnhart
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Rebecca Allen
Sierra Pointe Homeowners Association

Wyoma Barrett
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James Beatty
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Angie Brown
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John Patrick Clancy
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Gene Schermerhorn
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Raeanne Hadley
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Janet Samples
Source HOA

Cathi Sleight, CMCA
Vote HOA Now

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NEWSLETTER

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CAI-SOCO EVENT CALENDAR

SEPTEMBER	
MON—12	CLACsic Golf Tournament
TUES—13	Annual Meeting/ Education Luncheon
FRI—23	Top Golf Tournament

OCTOBER	
THR—06	Business Partner Sponsored Happy Hour
TUES—11	Education Luncheon
SAT—15	Board Leadership Development Workshop (Essentials)
WED—19	New Member Breakfast

TO REGISTER: **www.caisoco.org/events**