

COMMUNITY connections

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Q1 | 2023

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Q1 Photo Contest Winner: Lindsay Boshart

SOUTHERN COLORADO
CHAPTER
community
ASSOCIATIONS INSTITUTE



CALENDAR OF EVENTS

- JAN**
 - 10 Education Luncheon: January Jumpstart
- FEB**
 - 14 Education Luncheon
- MAR**
 - 14 Education Luncheon
 - 16 New Member Breakfast
- APR**
 - 06 Speed Networking
 - 11 Education Luncheon
 - 15 Board Leadership Development Workshop
 - 21 Bowling Tournament
- MAY**
 - 09 Education Luncheon
 - 11 Business Partner Sponsored Happy Hour – date to be confirmed
- JUN**
 - 17 CLAC Trivia (South)
 - 9 Family Event (Carnival & Movie Night)
 - 13 Education Luncheon

- JUL**
 - 21 Annual Golf Tournament
- AUG**
 - 8 Education All Day Law Day
- SEP**
 - 7 Business Partner Sponsored Happy Hour – date to be confirmed
 - 12 Annual Meeting & Education Luncheon
 - 22 Top Golf Tournament
- OCT**
 - 4 New Member Breakfast
 - 10 Education Luncheon
 - 14 Board Leadership Development Workshop
 - 26 Business Partner Sponsored Happy Hour – date to be confirmed
- NOV**
 - 14 Education Luncheon
- DEC**
 - 12 Holiday Celebration, Awards, Board Installation & Charity Donation Event

CAI NATIONAL EVENTS	
COMMUNITY ASSOCIATION LAW SEMINAR Jan. 11-14, 2023 New Orleans	ANNUAL CONFERENCE May 17-20, 2023 Dallas, TX

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.

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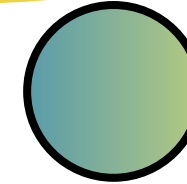
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2023 EDITORIAL CALENDAR

ISSUE	ARTICLES DUE	ADS DUE
Q2	17 March	17 March
Q3	16 June	16 June
Q4	15 September	15 September

All materials must be received no later than the dates listed. Materials received after these deadlines are at the discretion of the Editorial Staff for inclusion.

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Colorado Springs Economic & Housing as it Pertains to CAI

by Jason Hann

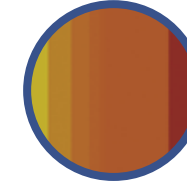
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Overall Health & Wellness

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by Deidre Masters, CMCA, AMS

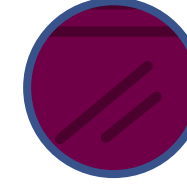
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by Chad Glover

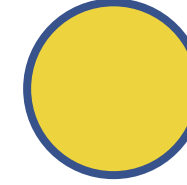
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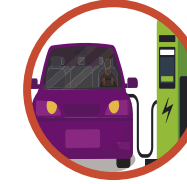
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Everything You Need to Know About EV Charging Systems in Community Associations

by Melissa M. Garcia, Esq.

The materials contained in this publication are designed to provide our members and readers with accurate, timely and authoritative information with regard to the subject covered. However, the Southern Colorado Chapter of CAI is not engaging in the rendering of legal, accounting, or other professional types of services. While the Southern Colorado Chapter of CAI provides this publication for information and advertising, the Southern Colorado Chapter of CAI has not verified the contents of the articles or advertising, nor do we have the facilities or the personnel to do so. Members and readers should not act on the information contained herein without seeking more specific professional advice from management, legal, accounting or other experts as required.

What Our CED Has to Say



JASON A. HANN
Chapter Executive Director
CAI of Southern Colorado

It is a brand-new year; it is a brand-new CAI Southern Colorado! Just over eight short months ago I was introduced to this running this organization and what a journey it has been! I have led multiple organizations and been in many diverse and varied roles but I must say, this one has not only been a challenge, but a surprisingly rewarding one. I have met people that have become friends and seen just how passionate and devoted our members are to not only their industry but their communities. You all are truly...Servant Leaders!

In my short time with CAI, we have revamped our organizational structure, developed new strategies, cleaned-up a LOT of outdated or ignored processes and data, reimaged our brand and presence, and hopefully made our volunteer's lives easier while increasing the value we provide to our members. Whew...that has been A LOT already!

Are we done yet? Not even close! We will continually improve in all those aspects and are open to change so if you have any ideas or feedback as to what we can do or do better, I would love to hear from you...my "door" is always open!

Servant leadership to me, means hearing what your community's headaches and pains are and being the aspirin for those ailments. It means doing what needs to be done for others, from the heart, and because you care. This year we focus on that - how do we care MORE about our fellow members, our neighbors, our community as a whole? How does that translate into the core mission of CAI SoCo? Our approach is going to be by helping YOU and in turn, we hope you'll help not only each other, but our entire industry and community, for I believe when the ocean level rises, ALL ships rise with it.

Here is to a successful and happy 2023! 🏠

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PRESIDENT'S LETTER



TRINA RODRIGUEZ
Chapter President,
CAI of Southern Colorado

Welcome to 2023, year of the servant-leader! What exactly is a servant-leader? Servant leadership is a philosophy that places the cause and others before the individual. It's the leader who is at the forefront and that demonstrates by example not by command. They are the people who sacrifice in some way to make their community better. Boards are made up of servant-leaders - they lead the HOA by serving their community, volunteering their time and seeking input before making decisions. Servant-leaders value what everyone brings to the table and individual strengths in order to achieve success within an organization. They are the ones to connect individual parts within the whole capitalizing on experience, strengths, and even weaknesses. The other way to look at a servant-leader is that they are willing to "roll up their sleeves and do the dirty work" along with everyone else. They also lead by example with the intention of developing leadership qualities in others. They do this by having empathy for others, listening, stewardship, and commitment to the personal growth of others.

As we head into this year of change for CAI, have these things in mind as you are making decisions for your HOAs, Committees or Boards whether with CAI or personally.

- Honor others. Einstein once said, "I speak to everyone the same way, whether he is a garbage man or the President of the university." Speak to everyone as if they are genuinely important, no matter their position. Demonstrate genuine respect for all people.
- Inspire vision. Before setting your course, discuss and figure out the direction you want to go before blindly going off and just doing something for the sake of doing something. Think far beyond the immediate. For example, Boards saving money in their Reserve account because they have a plan for how they want their HOA to look and be preserved in the future, not just for today.

- Choose ethics always! Even if no one will know, have integrity in all you do. "There is no price you can pay for integrity, but a lack of integrity can be costly." Unknown author. Value those that show moral character and stand by their beliefs. As everyone knows, my favorite restaurant is Chick-fil-A. The founder, Truett Cathy held true to his value of observing a day of rest and being closed on Sunday even at risk of potential profit loss and in the face of critics. (Chick-fil-A has now posted 46 consecutive years of positive sales growth by the way). Recognize though that not everyone shares the same values and morals.
- Empower others. Engage others to share their ideas, experience, and to lead as well. Give credit where credit is due and allow others to shine. Harry S. Truman once said, "It's amazing what you can achieve if you don't care who gets the credit." When I was a store manager, my goal was to train and develop those underneath me so that they could do my job. What better way to have an amazing store or organization than by having an entire staff of store managers? You cannot lead by being scared that someone will take your place if you give them the tools and training they need to be a capable leader themselves. In other words, don't hold someone back!
- Find Balance. Be able to focus and have flexibility when making decisions. Allow thoughts and ideas that are outside the box. The old adage "if it isn't broke, don't fix it" has no place in redeveloping our organization and changing course so we can grow with our Colorado Springs Community as it grows and changes. A great servant-leader should be able to innovate and adapt to meet new circumstances or situations. They cannot be averse to change.
- Be Humble. Last but certainly not least, serve with humility. Humility is purposeful care and concern for the world around you and how you affect and interact with that world and all things and people in it. Be humble as you lead and never stop asking others for their input. Do not be afraid to acknowledge mistakes, we are all have room for improvement. Sometimes the best way to grow is thru mistakes and learning from them.

Let's have an amazing 2023!! 🏡

Colorado Springs ECONOMIC & HOUSING

—As it Pertains to CAI—



JASON HANN
Executive Director,
CAI Southern Colorado

Many of you know I am the Executive Director of CAI Southern Colorado, but what a lot of you may not know is that my consulting practice does a lot more than just management; part of that expertise is strategic planning and economic analysis. As CAI SoCo members, what does that mean to you? I hope to share my insight and information in ways that may help you navigate the industry challenges we will face, not only locally, but globally. By no means is this considered financial advice or planning, just topics you and your business may want to consider thinking about or planning for.

As 2023 begins we are already seeing a slowdown in the real estate market and several other economic indicators. As of September of 2022, home sales have decreased by 33% compared to the same time period in the previous year according to realtor statistics. Why is this important? Economists use multiple indicators and metrics to determine projections for our economy, some of the major ones are: home sales, construction, retail and automobile sales, unemployment rate (U-1 through U-6), GDP, interest and inflation rates, debt ratio, and credit ratings. With Colorado Springs booming housing market over the past few years, it's important to pay attention to that change in home sales. All of these variables create a complex puzzle that experts debate regarding as to how to interpret the information but one thing is certain, the average person can FEEL when the economy is struggling. We go to the store to buy groceries, clothes, or even the gas pump to fill up the car and the cost of everything is up but our pay hasn't changed...it can feel deflating. This unique situation is sometimes stagflation. Stagflation is when the cost of goods and services increases but your buying power does not increase comparably and unemployment maintains at a high(er) level. In simple terms, your dollar just doesn't go as far as it used to. This is a troublesome spot for policy makers and officials and where politics gets everyone riled up. We will not get into all those details however. What we should be aware of however, is what does the forecast look like given these metrics and what is happening regionally?

One of the best indicators I pay attention to is, "The Housing Opportunity Index." What this metric shows is, within a community, if your household made the average household median income, what percentage of the housing market could you viably

afford? According to Tatiana Bailey, Director UCCS Economic Forum, the index for 2019 was approximately 70%, which means that approximately seventy percent of buyers could afford the average home in the community. As of 2022 the index has fallen to about 22%! This means that in less than three years, less than a quarter of the people in Colorado Springs can afford to buy the averaged priced house. This information can be interpreted in many ways but very few of them are a positive forecast. I believe this indicates the community is headed into the direction of long-term downturn as discretionary spending will decrease and debt increases - in other words, more people will be living paycheck to paycheck and not be able to contribute to the local economy for "fun" things. It also means that in the long term, blighted and rundown properties will increase, more people will be unable to buy a home and must rent (which eliminates the number one wealth generator for those people), property taxes will increase due to home values, and more investors buy troubled properties instead of local residents with a sense of community. Multiple studies have been done that show the rise and fall of "boom" economies so we have to be extremely careful with ours.

But what does all this mean? I believe we are going to see an increase in employee frustration and continue to struggle with retention as people "shop" around for positions that pay them better.

If your company hasn't done a market study recently, you should!

The cost of projects is going to increase and the market is going to become increasingly more competitive. That means you'll have to win jobs on more than just bottom-line numbers. What can you do right now to create additional qualifiers that will attract more business? Within HOAs and as community managers, plan on more people being agitated and emotional because when things are tight with money and finances it causes an increase in irritability. Are you putting proactive measures in place to help your frontline? Are you prepared for the increased cost of maintaining your communities and have you been proactive in communicating that to your HOA Boards? As more people can't afford to buy homes have you considered the implications of having renters and in some cases, multiple renters, in your communities?

The biggest takeaway from this analysis is that you are not blindsided by what MAY happen. Not that any of these are guaranteed to happen but at least we can start considering what to do should they become a reality. My motto is, "always prepare for the worst" ... Are you prepared? If you'd like more information about any economic metrics and forecasting, give me a call or email. 🏡



PERSONAL RISK SERVICES

The Importance of an Annual Review



TRENDA GREEN
USI Insurance Services

As the new year begins, it's a good time to review your personal risk management plan. As your life **evolves** and changes, so do your needs when it comes to insurance coverages. What was appropriate for your needs and priorities last year may no longer suffice.

Below is a list of items that can have huge effects on your insurance cost, coverage options, limitations and more. If any of these items pertain to you, contact an insurance broker to discuss risk management strategies.

- Getting married
- Getting divorced
- Children leaving home
- New teenage drivers in the household
- Starting a new job
- Starting a new business or selling a business
- Starting a family
- Bringing aging parents into your home
- Purchase or receipt of an expensive gift
- Death in your immediate family

Each of these things can trigger substantial changes in your coverage.

An annual review of your personal insurance program helps you stay up to date with what your coverages protect and where you may have gaps that need to be filled with supplemental coverage or additional policies. Your agent will help identify gaps in coverage and explain potential impacts.

RELATIONSHIP STATUS AND LIVING ARRANGEMENTS

Marriage or Divorce: As a marriage comes to an end, couples can spend a lot of time and energy dividing up assets. Car insurance can be difficult to navigate because the policy can be based on joint ownership along with other factors. Getting married? Should you add your spouse to your insurance policies or purchase new policies? Auto insurance, homeowners insurance or renters insurance will be affected by these life changing events.

Household members: Homeowners policies contain definitions of insureds that restrict who gets paid in the event of a loss. If you have friends, a roommate or non-relatives living in your home, your homeowners policy may not respond if their items are damaged.

HOME AND PROPERTY

Dwelling coverage: As the price of building materials skyrockets, it is important to review dwelling coverage to make sure it's in line with current rebuild costs. A rebuild appraisal is different than a tax or market appraisal. It calculates how much it costs to rebuild your home in the event of a total loss. If a rebuild appraisal has not been completed in the last five years, ask your broker to request one on your behalf.

Remodeling or adding on: Renovations and additions can change the overall value of your home. It is likely you will need to change the amount of insurance on your home to ensure it is adequately protected.

Protective devices: Having protective devices installed in your home (e.g., a centrally monitored alarm system, back up generator, automatic water shutoff) may result in discounts to your home policy.

Valuable articles: Scheduling an item provides the security of knowing that item will be covered in full and not limited by personal property restrictions in most homeowner policy. Establishing a valuable articles policy can generate a credit on your homeowner policy, saving you premium dollars.

CHILDREN

Youthful drivers: Some parents and guardians choose not to inform their insurance company that their children are driving to save insurance premium. This is not a good practice for a multitude of reasons. Contact your broker to discuss adding the kids to the auto and umbrella policies. Ask how you can mitigate cost while still putting liability coverage in place.

PERSONAL ASSETS

Boards: If you sit on a board or are a member of a homeowner association, your personal assets may be at risk. Review the insurance policy the board has in place. Confirm the established

liability limits will cover your personal assets in the event of a loss. If the liability limits are insufficient, talk to your broker about adding protection on your umbrella for board activities.

LLC's and trusts: If you create an LLC or a trust as part of your asset protection strategy, the LLC or trust can be listed on your homeowners and umbrella policies to afford an additional layer of asset protection.

Umbrella limits: Net worth fluctuates. Check your umbrella policy to make sure you have adequate limits in the event of a loss. Does your policy include attorney's fees? Do you have uninsured/underinsured motorist coverage? Have your underlying requirements changed? When reviewing your umbrella policy, remember, future earnings are at risk.

Indeed, there are many different areas to review. Do not go it alone. Your insurance advisor can help you review your current program, provide risk management strategies for any existing issues, and implement the corrections on your behalf.

USI's personal risk team can help you manage your risk and assist with all your personal risk management needs. To learn more about conducting an annual review or to receive a comprehensive personalized risk management plan, please contact your personal risk advisor. 🏠

Trenda Green is a Personal Risk Specialist with USI Insurance Services. Trenda has been a trusted insurance advisor for many years specializing in customized personal insurance programs for affluent and successful families. With over 26 years in the insurance industry, Trenda has a successful track record developing risk management solutions for high net worth clientele, protecting their most valued assets and managing their unique risks. Her extensive knowledge of the unique risks that can impact successful individuals and families, along with her strong industry relationships, reputation and product knowledge, allow her to provide the highest professional standard of service to her clients.

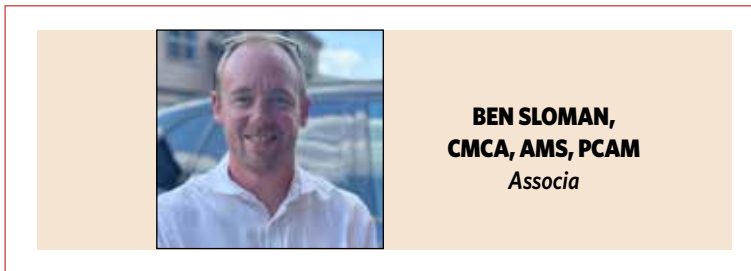
Trenda has lived in Colorado Springs since 2013 and in her spare time enjoys hiking, biking, camping and fishing with her husband and spending time with her children and grandchildren.

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OVERALL HEALTH & Wellness



Today, I want to talk about wellness in the workplace when working in the Community Management field.

Community Management has many different roles and all of them have a few common themes. They are fast paced, challenging, and solution based. Sometimes we get out and about to work on a property with vendors, and sometimes we are stuck behind the desk on the phone and responding to endless emails.

When we have a demanding day, wouldn't it be great to relax for 10 minutes in a massage chair and listen to your favorite music?!

Well, lucky for all of us, there are programs out there already and exist to help leaders put a plan in place to encourage wellness in the workplace.

These programs are becoming more and more available all the time, and there are so many ways to participate from exercise and nutrition to learning a new language to specific leadership trainings, maybe even mind control - everything and anything can be tailored to fit!

These programs are most effective when all staff within the teams equally work together to select and implement the plan. This takes effort and motivation, but it's worth it in the long run for all.

We need to remember these programs are for all and enhance all staff personally, as well as, in the workplace. What these programs focus on is engagement and motivation to participate. The business leaders within each of their departments will be tasked with selecting the right program for their staff and

ensure that each program is inclusive and will be used.

Healthy employees not only have a better quality of life, but they also benefit from having a lower risk of disease, illness, and injury. As well as increased work productivity and a greater likelihood of contributing to their communities.

Beyond helping workers uphold work-life balance and improve overall health, organizations are exploring additional wellness benefits such as recognition, paid time off, leadership training, and community volunteer projects that improve both well-being and overall engagement in the workplace.

Remote work created an environment which came with its own challenges. One was not being in the same office or location. This removed the in-person human interactions and in some cases reduced the activity that normally occurred at the workplace such as walking around the office, the talks at the water cooler, and transportation home.

1

DESIGN & ANALYZE

Seek and support employees' input and participation in:

- Creating a wellness committee.
- Developing an employee needs and interest survey.
- Using interviews and focus groups.
- Completing an employee needs and interests survey.
- Securing leadership support.
- Developing a strategic communications plan.
- Reviewing and designing a benefits plan.
- Completing a work site health evaluation.
- Conducting an organizational policy review.
- Prioritizing staffing, program materials, data system, recognition, and incentives to develop the budget.
- Identifying community partners in health.
- Identifying measures for program evaluation.

2

IMPLEMENT

Work with employees to:

- Create a program accessible to employees and family members—on-site, online, and by phone.
- Provide programs that are low cost and affordable to the workers.
- Communicate the program offerings through numerous channels (e.g., e-mail, posters, website, newsletters, postcards).
- Create a healthy environment (e.g., tobacco-free workplace and healthy meeting and vending policies, walking trails, on-site physical activity options).
- Offer team and individual programming (e.g., challenges, education sessions).
- Connect with a health coach, team leader, or others.
- Demonstrate leadership support and encouragement in wellness opportunities.

3

EVALUATE SUCCESS

Work with and support managers/senior leaders to:

- Communicate the benefits of the program and success stories.
- Provide recognition to individuals and specific units, departments, and locations.
- Survey participants to capture feedback on programs, including satisfaction and suggestions.
- Generate participation reports specific to unit, departments, or location.
- Complete impact measures and reporting to include changes in health behavior and clinical parameters.
- Complete cost benefits analysis (requires 2 to 3 years of data).

Ben Sloman is the Director of Associations in Colorado Springs for Associa, he has earned his PCAM credential and is involved with the Southern Colorado Chapter's Special Events committee, and the Rocky Mountain Chapter's Mountain Conference committee.

PLANNING THE YEAR AHEAD: THE MASTER CALENDAR



DEIDRE MASTERS, CMCA, AMS
Hammersmith Management

and proactively maintaining the physical components of the community requires planning for the routine upkeep, inspection, and scheduled replacement of those components.

Planning the year ahead by breaking down each project into individual timelines and detailing the schedule of routine upkeep and maintenance, then adding everything into one Master Calendar provides a side-by-side, year-at-a-glance view of all the projects and maintenance of the Association. You have a view of the short and long term, allowing you to stay on top of the current while simultaneously looking ahead and preparing for the future.

Every community association, whether single-family homes, townhomes, or condos, has physical components it is required to maintain. From exterior common elements (like landscaping and parking lots) and exterior building elements (like roofs and siding) to interior building elements (like lobbies and elevators), properly

WHAT TO PLAN FOR

Associations need to plan for routine upkeep and maintenance, projects, and inspections. Upkeep and general maintenance tasks are completed on an ongoing or scheduled frequency, while projects have a defined start and finish, are related to a specific task, and generally take a longer amount of time or a higher level of coordination to complete. Projects can be larger preventative maintenance tasks, scheduled replacements, or capital improvements. Inspections are a tool to measure the progress and quality of projects and upkeep as well as identify any needed corrective maintenance.

ROUTINE MAINTENANCE

- Regular, recurring upkeep.

Example: Mowing landscaping or cleaning common area lobby floors.

PREVENTATIVE MAINTENANCE

- Periodic maintenance to avoid disruptive breakdowns and achieve the useful life of the component.

Example: Seal coat and crack seal asphalt parking lots and private roads on a regular basis.

SCHEDULED REPLACEMENT

- Replacement of physical assets as they wear out or break based on the reserve study projections.

Example: Replacing the roof at the end of the roof's useful life.

CAPITAL IMPROVEMENT PROJECTS

- Improvements to current physical assets or new physical assets added to the community.

Example: Adding a playground in the common area courtyard.

INSPECTIONS

- Routine Inspections

Inspections of the property Common Elements for any needed corrective maintenance.

- Project Inspections

Inspections throughout and at the end of a project.

- Municipal Inspections

Inspections required by local and state ordinances and municipalities.

Example: Irrigation backflows, fire suppression systems, elevators, etc.

PART I: CREATE A TIMELINE FOR EACH PROJECT

Knowing the deadline for a task or project isn't enough: you need to determine a start date and know all steps involved from start to finish in order to make the appropriate arrangements to get the project completed on time.

PROJECT BENCHMARKS

While the process and timeframe for every project will be a little different, there are some general benchmarks for every project:

CREATE A SCOPE OF WORK

- Engage a project manager, if needed
- Define your project

VENDOR SELECTION

- Select prospective vendors to solicit bids
- Solicit bids
- Site walk with bidding vendors
- Receive bids
- Review period, questions, interview bidders
- Select a vendor

CONTRACT WITH THE VENDOR

- Engage the vendor
 - Receive actual contract
 - Request HOA attorney review proposed contract
 - Contract negotiation
 - Contract signed by HOA and vendor

PROJECT STARTS

- Initial steps of project
 - Vendor orders materials
 - Vendor schedules work based on delivery of materials and vendor schedule

WORK STARTS

- Work progresses
 - Perform inspections while project is ongoing
- Work completed

FINAL PUNCH LIST

- Perform final inspection of completed project with vendor
- Vendor completes final punch list

Every step of a project takes time, and even more so now post-pandemic when labor and material shortages are part of everyday business. Plan ahead, and then give yourself extra time.

WORK BACKWARDS FROM A TARGET DATE

Create a timeline of benchmarks starting from the target completion date:

Step 1: Determine a target completion date for the project.

Step 2: Determine the necessary steps for the project. (Project Benchmarks)

Step 3: Determine the approximate length of time each step of the project will take. (Be generous. Completing a project early is better than late due to setbacks along the way.)

Step 4: Starting from the last step of the project, work backwards from the target date until all steps are included to create a timeline of benchmarks throughout the process to determine a start date.

Keep in mind that each Board or Association may have a different review process that changes the projected timeline of any project, and tailor your timeline accordingly.

PART II: BUILDING THE MASTER CALENDAR

The Master Calendar should include routine maintenance, preventative maintenance, project benchmarks, and inspection dates for each existing component of the association and any capital improvements planned or considered for the year. Don't just enter deadlines for a project, enter in start dates, progress benchmark dates, owner notification dates and other important dates.

Included below is an example of an abbreviated Master Calendar. Using this example as a template, build a Master Calendar for your Association using the following method:

Step 1: Along the horizontal axis at the top of the spreadsheet, create a column for each week of year, then group the weeks into months and quarters of the year. Include a column to note the frequency of each service.

Step 2: Along the vertical axis in the far-left column, separated into sections by exterior common elements, exterior building elements, and interior building elements, list the components the association maintains. Add a separate section for each project planned for the year.

2023 MASTER CALENDAR	Q1			Q2				Q3				Q4			
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER			
PROJECT: ADD PLAYGROUND IN COMMON AREA COURTYARD															
SCOPE OF WORK	due 2/15														
VENDOR SELECTION	due 3/15														
CONTRACT WITH VENDOR	due 3/31														
PROJECT STARTS	work starts 6/2														
FINAL PUNCH LIST	due 8/15														
Exterior Common Elements															
Routine Inspections	Monthly	M	M	M	M	M	M	M	M	M	M	M			
Landscaping															
Irrigation	weekly														
Mowing	weekly														
Edging	monthly														
Aerating	spring (1)														
Overseeding	spring (1)														
Soil Replacement	spring														
Fertilizer	spring (1, every 3-4 weeks)														
Weed Control Spray	spring (1, every 3-4 weeks)														
Weed Pulling	weekly														
Pet Waste Stations	weekly	W	W	W	W	W	W	W	W	W	W	W			
Trash Pickup	weekly	W	W	W	W	W	W	W	W	W	W	W			
Tree, Shrub, & Flower															
Flower Planting	spring														
Mulching	spring														
Tree Spraying	spring/fall														
Tree Pruning	spring/summer														
Shrub Pruning	spring/summer														
Silver Painting	winter														
Winter Watering	monthly	M	M	M											
Seasonal Tasks															
Spring Clean-Up	spring														
Fall Clean-Up	fall														
Snow Shovel	Oct/April														
Common Pond Maint	quarterly														
Roofing & Gutters															
Sweats	summer														
Curbs & Gutters	summer														
Sidewalks, Walkways	summer														
Parking Lot Cleaning	spring/fall														
Parking Lot Striping	spring/fall														
Pole Lamp Painting	spring/fall														
Exterior Building Elements															
Gutters & Downspouts	semi-annual														
Decks	annual														
Exterior Lighting	semi-annual														
Interior Building Elements															
Inspection	March														
Emergency Call-Out Check	Monthly	SH		SH		SH		SH		SH		SH			
Cleaning (Trunks, Floors, Buttons)	Monthly		SH		SH		SH		SH		SH				
Maintenance	Quarterly		Q		Q		Q		Q		Q				
Cleaning															
Carpet Cleaning	weekly	W	W	W	W	W	W	W	W	W	W	W			
Tile Cleaning	weekly	W	W	W	W	W	W	W	W	W	W	W			
Mantel Cleaning	Monthly		M		M		M		M		M				
Walls & Corners	Quarterly		Q		Q		Q		Q		Q				
Molding	Quarterly		Q		Q		Q		Q		Q				
Light Fixtures	Quarterly		Q		Q		Q		Q		Q				

Step 3: Underneath each component, create a row for each routine maintenance task and inspections.

Step 4: Notate the frequency or date of each task and inspection in step 3. Highlight the corresponding week column(s).

Step 5: Underneath each project, create a row for each major project benchmark and inspections.

Step 6: Notate the target completion date for each project benchmark in step 5. Highlight the corresponding week column(s) for each step, start to finish.

ROUTINE UPKEEP AND PREVENTATIVE MAINTENANCE SERVICES

Consult service contracts to determine the frequency of routine upkeep and general maintenance tasks. Notate the dates each weekly, monthly, quarterly, semi-annual, and annual maintenance service will be performed, including seasonal maintenance. Consult preventative maintenance contracts for components like elevators, fire alarm and suppression systems, and boiler systems.

PROJECTS

Consult the reserve study to determine scheduled replacements and preventative maintenance for large components. Create a detailed timeline for each project. Notate each project benchmark date including the start date and target completion date.

KEEP A 90-DAY OUTLOOK

Planning the year ahead in one Master Calendar provides a singular document to reference as a guideline of the recurring and ongoing maintenance schedule for each component of the Association, when projects should start and end, and when inspections should occur. Keep a 90-day outlook of the Master Calendar to always be prepared and organized, and never miss a critical deadline again! ⬆️

Deidre Masters, CMCA, AMS has been a Portfolio Community Association Manager at Hammersmith, AAMC®, for two years in Colorado Springs. She enjoys gardening and hiking with her two dogs.



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COLORADO SPRINGS Quarterly Investment Update



CHAD GLOVER
Edward Jones

2022 has been a year characterized by inflation, rising rates and various geo-political risks. This article is a look back at the 3rd quarter as well as commentary on the economy going forward.

FOR INVESTORS AND BUSINESSES, ONE OF THE MOST IMPORTANT WAYS TO WEATHER ECONOMIC DOWNTURNS IS BY HAVING AMPLE CASH.

Doing so can help you can endure the downturn and be around when the economy eventually recovers. As an added benefit, currently increasing interest rates offer investors/businesses the opportunity to earn much higher rates on cash as opposed to years past.

Looking back at the 3rd Quarter

Every asset class return in our framework except cash was negative in the quarter. Investors moving into safe-haven assets such as the U.S. dollar pushed the value of the greenback to historically high levels. This was a drag on international performance for U.S. investors. Inflation and monetary policy continue to top investors' concerns. Markets are now broadly pricing in a contraction in economic growth.

The Fed continues its aggressive policy cycle — The Federal Reserve is expected to hike rates to 4.25% by year-end and keep rates elevated throughout 2023 to combat historically high inflation. High policy rates and softening global economic growth forecasts were a headwind to equity markets, which saw risk asset sell-offs and lower valuations.

Strengthening dollar a drag on international investments — The dollar strengthened to historically high levels for a variety of reasons, including the introduction of the U.K. minibudget, fears of escalation

in the Russia-Ukraine war, and souring investor sentiment. The strong dollar meant international equity investments were the worst performers in the quarter, while domestic equities outperformed for U.S. investors. Of the international asset classes in our framework, emerging markets and international small- and mid-cap stocks were the worst performers

Equity markets reach new lows — The equity market rally early in the quarter quickly reversed, and markets found new lows toward the end of Q3. Technology shares and growth-style stocks, which are more exposed to rising interest rates than value-style shares, have been the hardest-hit this year. Earnings results were mixed during the last earnings season. We expect market volatility to continue until inflation makes significant progress to the downside and the Fed can start to consider pivoting from its aggressive cycle.

Economic Outlook

Lingering inflation pressures and the Federal Reserve's aggressive rate hikes have increased the risks to the economy. Yet a large amount of monetary tightening has already been priced in at a time when inflation may well have peaked. This potentially sets the stage for a gradual market recovery.

Strong headwinds ahead — Higher interest rates, elevated inflation and rising geopolitical risks will continue to pose strong headwinds for consumer spending and economic growth in the quarters ahead. As a result, the risk of a recession is elevated next year, especially if the Fed overtightens policy as growth slows. But absent any major economic imbalances, a potential recession will likely be mild. Household finances are solid, banks are in a strong financial position, and pockets of financial excesses have largely unwound, in our view.

Markets move ahead of the economy — This year's strong job gains, near-record low unemployment rate and resilient consumer spending are inconsistent with a recession. But the Fed's aggressive rate hikes have yet to be fully felt throughout the economy, and a slowdown in jobs growth looks inevitable. Stocks move ahead of the economy by about six months. This is why we think the 25% decline in equities since January likely already reflects a mild recessionary outcome. In a less

severe downturn, equity markets could stabilize even as economic data underwhelms.

Inflation holds the key — Heading into Q4, we think inflation will determine the direction of the markets. The Fed likely will want to see three or more lower inflation readings to signal a pause. We believe inflation will start to moderate in Q4, driven by improved supply-and-demand dynamics, but only gradually and not in a straight line. Once central banks become less hawkish, both equity and fixed-income markets are likely to mount a sustainable recovery. ⬆️

Edward Jones, Member SIPC. This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

As a financial advisor with Edward Jones Chad Glover helps individuals and organizations reach their financial goals ranging from cash management to investments. He graduated from the University of Colorado Colorado Springs with degrees in Finance and Economics and has since called Colorado Springs home. In his spare time, he and his wife love to travel, be outside, and eat at new restaurants.

ASSOCIATIONS & Income Tax



LANE McMILLEN
CIRATAS

Common Interest Realty Association Income Taxation

If you want an example of how the Internal Revenue Code (IRC) takes a seemingly simple area of income tax and turns it into a web of complexity and tax court cases, look at ... well ... any part of the IRC. Association income taxation is no exception. In all fairness, it's often the real-world challenges and unique issues of industries that bring the complexity to tax matters. Let's look at just a few of the tax matters applicable to Common Interest Realty Associations (CIRAs).

In this brief introduction to CIRA income taxation, we will only have time to explore the surface of tax matters facing the CIRA industry. For example, we will not address housing cooperatives or timeshares in this article. Therefore, please be aware that the following information provides a framework for typical CIRA income taxation for associations located in Southern Colorado. Each association requires a unique analysis of facts and circumstances to correctly apply the IRC and relevant rulings to its tax filing.

Wait. Why are we concerned with income taxes? We are a nonprofit corporation... are we not?

I get this question often. Simply put, there is a distinction between the legal form and the income tax treatment of an entity. If you look up your association on Colorado Secretary of State website, you will find that most CIRAs are classified as "nonprofit Corporations". However, this is not necessarily an accurate classification for tax purposes. In fact, typical

CIRA income taxation is more closely aligned with traditional corporate taxation; however, most CIRAs can capitalize on special provisions of the IRC and relevant rulings to lessen tax liability, when applied properly. Some common IRC Sections that apply to CIRAs are Sections 528 and 277. We will explore these in more detail later. Only occasionally will a CIRA qualify for a true "exempt" (i.e. not-for-profit) tag under IRC Section 501; but, that is another area outside the scope of this article. Take note: all CIRAs must file an annual tax return.

What's Common Among Common Interest Realty Associations?

First let's list some of the tax provisions applicable to all CIRAs. By this I mean the principles themselves are common, but the application of those principles can vary widely. The result is that each situation requires analysis of the application of, at minimum, the following principles: the definition of gross income under IRC Section 61, prepaid assessments, agency relationships, capital contributions under IRC Section 118, litigation settlements, basis in assets under IRC Sections 351 and 362, and capital expenditures under IRC Section 263. Without endeavoring to explore code sections of the common principles listed above, let's briefly address the most misreported element. Regarding gross income, in my opinion, the most misreported element of gross receipts is capital contributions, which are not included in gross income, as they are specifically excluded under IRC Section 118. These are usually contributions from member replacement reserve fund assessments, special assessments, certain litigation proceeds, and certain insurance claim proceeds, when those receipts are

capital in nature. This means that, according to IRC Section 118, these items should not appear as gross income in your tax filings. Various tests are applied to determine if a receipt is truly capital in nature ... oh and, by the way, reserves for painting should not be considered capital in nature, unless you have facts and circumstances different from several tax court cases where the IRS prevailed in the matter of painting being a noncapital expenditure.

What is IRC Section 528 and IRC Section 277 and Who Cares?

Associations must meet certain tests to qualify for filing under IRC Section 528 and must technically elect to file under this section each year, filing Form 1120-H. In addition to performing the important analysis of what should be included in gross income (see above), the CIRA that files under IRC Section 528 must separate its income between exempt and nonexempt income. Although IRC Section 528 may represent the simplest of filings, the complexities mentioned above regarding general tax provisions, including capital contributions, still apply; and any net taxable income is subject to a less favorable 30 percent flat rate.

If an association does not qualify or does not elect to file under Section 528, the CIRA will most likely file under IRC Section 277, which applies to certain membership organizations. This includes commercial CIRAs. After determining gross income, when filing under IRC Section 277, the CIRA must separate

its gross income between membership and non-membership income. Net taxable income is taxed at a flat rate of 21 percent. However, in the event of net membership loss, IRC Section 277 requires that the CIRA carries that excess over to future years, which means that memberships losses cannot offset non-membership income. In the event of net membership income, a special provision under Revenue Ruling 70-604 offers the CIRA options to either carry over excess membership income (for one year) or refund the excess to the association's members. Who cares which approach is taken? You and your association should care about the decision to elect filing under IRC Section 528, if eligible, versus IRC Section 277 for a few reasons; but one is that exempt income and membership income are not created equally. Some streams of income, such as laundry facility income, that are considered membership income under IRC Section 277 are considered nonexempt income under IRC Section 528. This can result in unexpected taxable income when those certain income streams exist, which is exacerbated by the 30 percent flat rate of tax on net taxable income under IRC Section 528. On the other hand, if facts and circumstances align, the CIRA might minimize income taxes and may save on tax preparation fees if it uses the simpler IRC Section 528 filing.

The above discussion represents only a brief introduction of issues that can arise in CIRA taxation. Ensure that your tax preparer is familiar with these rules to avoid overpaying income taxes for your association.

Lane McMillen is President of CIRATAS, a CPA firm based in Colorado Springs and dedicated to providing tax and assurance services to CIRAs. Lane has provided tax and assurance services to Southern Colorado CIRAs for over twelve years.

How You Can Make an **IMPACT** with The Colorado Legislative Action Committee

CAI's Colorado Legislative Action Committee (CLAC), pronounced "clack", often receives feedback from members of the Colorado chapters that they are unsure how to contribute to the legislative process or CLAC. We agree, it can be an overwhelming beast and often, we are unable to succinctly tell you what we need until we need it. That said, there are multiple ways a person could contribute to the process and not only be impactful, but also find personal benefit from the experience.

CLAC is a volunteer group of Delegates in Colorado that works with CAI's National Government & Public Affairs Committee (GP&A). CAI National also employs public affairs staff who help our state-level legislative action committees (LACs) and our national lobby efforts. Serving as a Delegate for the CLAC means we are volunteers who have been nominated by one of the CAI Chapters or by the local LAC itself. National's GP&A and Board of Directors assess the slate of nominees and review their conflicts of interest before appointing them (or not) as LAC Delegates each September. These appointed Delegates are expected to have an awareness of CAI's 40+ public policies, report any and all conflicts of interest, contribute certain numbers of hours during legislative session, and represent CAI and their local Chapter before their personal and professional interests (among other things).

If the Delegate level of commitment is not for you, you can simply volunteer with CLAC. Just like any other CAI committee, CLAC needs people to help with communications, fundraising, event planning, and special projects having to do with specific legislation. Our primary legislative and lobby efforts are mostly October/November through June. Our fundraising and events usually occur between May and September.

Serving as a volunteer committee member for CLAC is a great way to meet people from both Southern Colorado Chapter and Rocky Mountain Chapter. Ongoing service also counts for manager volunteerism if you are working toward your Professional Community Association Manager (PCAM®) designation.

If you are not available to commit to ongoing volunteer efforts, CLAC often works with members of the public who have expertise on specific issues. There are opportunities currently to help develop language for potential proposed legislation impacting community associations. The issues are variable but could include topics like easements, reserve studies, construction defects, and the foreclosure bill from 2022.

Homeowner Leaders and Managers who have had specific experiences related to legislation or proposed legislation are also very helpful to the CLAC. A great example - as of this writing - is we are looking for people who can speak about their experiences relative to the 2022 legislation like HB 1137. If you have a story or an experience you would like to share, please write a description and email it to one of your Southern Colorado Delegates: Danielle Holley, Ed Schoenheit, or Krista Baptist. By raising your hand preemptively, CLAC will know who to contact directly if and when we need someone to testify before the legislature or meet with an individual legislator and/or their staff.

CLAC Delegates are volunteers from the industry who have well-rounded knowledge of topics in the community association world. Our members can speak to multiple issues well, but we

recognize that many topics have the potential to be deeply niche. If you or a colleague have expertise on a topic you believe may be at issue during the legislative session, it is advantageous to all of us for CLAC to know your skill set before it is needed.

Although it does not happen every year - it sure feels like it does - there are often one or two bills introduced that CLAC encourages members to testify for or against at the Capitol Building in Denver. Some of your Delegates usually coordinate carpools, help vet testimony, and even buy lunch or coffee for anyone who wants to participate. This is a great experience that only costs a day of your time. The downside is that we cannot provide more than a day or two notice so you need to be ready to make the effort. If you want to testify before the legislature, ask one of your Chapter Delegates for more information. This is a satisfying experience that truly makes you feel like you have been part of the process. And if you just cannot give up a day at the last minute, the Colorado Legislature accepts video testimony and written statements which CLAC can also help you craft.

Finally, you can always donate to CLAC. Our volunteers are wonderful and generous with their time, but sometimes it changes the game to pay a lobbyist or a public relations firm to work on your behalf. CLAC's current lobby team is doing great work! We are constantly fundraising to give them additional tools to utilize on our behalf.

In 2023, our Delegates plan to coordinate a CAI Day at the Capitol with our lobbyists where we meet some legislators and discuss community association issues. There will be opportunities to attend and sponsor this event.

Get Involved!

Tell CLAC now that you want to help:

- List topics you care about, OR
- List topics you are an expert about, OR
- Share a brief story that demonstrates how you've been impacted by something, AND
- Donate to CLAC!
<https://advocacy.caionline.org/lac-donation-form>

Join CLAC as a volunteer:

- Join the Fundraising & Events Committee or the Communications Committee
- Sit in on CLAC meetings and contribute to the discussion and help where needed

CLAC meets virtually every first Friday at 1:30PM. CAI Members are welcome and will be provided a meeting link upon inquiry.

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Let's get started.
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EVERYTHING YOU NEED TO KNOW ABOUT

EV Charging Systems

IN COMMUNITY ASSOCIATIONS



In 2018, the world saw a **64% increase** in the use of electric vehicles (“EVs”), rising from 3.4 million to 5.6 million . Today 1.2 billion EVs are in operation. Given the growing number of EVs used today, boards and managers need to understand the law on EVs and how it applies to community associations.



MELISSA M. GARCIA, ESQ.
Altitude Community Law

SUMMARY OF LAW

ON MAY 3, 2013, SB 13-126 (“EV BILL”) WAS SIGNED INTO LAW AND ADDED TO CCIOA AS C.R.S. 38-33.3-106.8. IN SUMMARY, THE EV BILL PROHIBITS A RESIDENTIAL (NOT COMMERCIAL) ASSOCIATION FROM DENYING AN OWNER:

1. The right to use or install a Level 1 or Level 2 Electric Vehicle Charging System (“EV System”);
2. At the Owner’s expense;
3. In the following locations:
 - Within the Unit boundaries, or
 - In a Limited Common Element (“LCE”) parking space, carport or garage owned by, or otherwise assigned to, the Owner in the declaration or other recorded document if:
 - the EV System otherwise complies with the declaration, bylaws, rules and regulations, and
 - the Owner agrees in writing to certain conditions relating to the design, installation, expense and insurance of the EV System;
4. Subject to additional regulations related to safety, registration of the EV System, and aesthetics;

Melissa M. Garcia, Esq. is a shareholder at Altitude Community Law P.C. and an HOA enthusiast! She provides advice and counsel to Colorado community associations in all areas of community association law. With over 20 years of experience under her belt, Melissa has represented a vast range of communities, including traditional, high-rise and mixed-use condominiums, townhome and single family home communities, and commercial-only communities..

1 Can Associations Ban the Installation of EV Systems?

YES, from any General Common Element (“GCE”). No, on other locations discussed below, assuming the Owner complies with certain conditions.

2 Where must an Association Allow EV Systems to be Installed?

WITHIN THE UNIT/LOT BOUNDARIES. For most single family home communities, the Lots usually include the garage and driveway. Some attached home communities (townhomes, row homes, etc.) might also have boundaries that extend to the garage and driveway. With condos, however, parking spaces are usually outside the Unit boundaries.

IN LCE GARAGES, CARPORTS, PARKING SPACES OWNED BY, OR ASSIGNED TO, THE OWNER IN THE DECLARATION OR OTHER RECORDED DOCUMENT. Look to the declaration and/or plat or condo map to determine whether a parking space is an LCE or assigned to a particular Unit. A deed or other recorded document may also include such designation.

3 Can an Owner Install an EV System on the General Common Elements?

NO, not without the association’s approval.

4 Can the Association Require the Owner to Comply with Certain Conditions Before Approving an EV System?

YES. The association may:

- Adopt bona fide safety requirements, which the Owner must follow;
- Require the Owner to register the EV System with the association within 30 days after installation;
- Adopt reasonable aesthetic provisions governing the dimensions, placement, or external appearance of the EV System.

In addition, the Owner must agree in writing to:

- Comply with the association’s design specifications for the EV System, if any;
- Use only a duly licensed and registered electrical contractor familiar with the installation and core requirements of EV Systems;
- Pay for installation, including costs to restore Common Elements disturbed in the process; and
- Comply with the insurance requirements set forth in the EV Bill.

5 Who Pays for Installing the EV System?

THE OWNER. If the Owner damages any LCE, GCE, or any adjacent units, garage stalls, carports, or parking spaces when installing the EV System, the Owner is responsible for the cost of damage.

The Owner also pays for electricity. If the association provides the electricity, then it may either:

- Require reimbursement for the actual cost of electricity used, or
- Charge a reasonable fee for access to the electricity.

If reimbursing for actual cost of electricity and if the Unit is not separately metered, then a separate meter or some other device may be installed, at the Owner’s cost, to read the electricity used by the EV System.

If charging a reasonable fee for access, associations should consult their electricity providers for what’s considered reasonable. If the EV System is part of a network for which a network fee is charged, reimbursement may include the amount of the network fee.

6 Who Pays for Maintaining the EV System?

THE OWNER. This includes costs for damage to the EV System, and any other LCE, GCE, or adjacent units, garage stalls, carports, or parking spaces arising or resulting from the maintenance, repair or replacement of the EV System.

The Owner must also remove the EV System “if reasonably necessary or convenient for the repair, maintenance, or replacement of the Limited Common Elements or General Common Elements of the Common Interest Community.”

7 Who Insures the EV System?

THE OWNER. If an EV System is installed on an LCE, then unless otherwise specified in a written contract or the declaration, bylaws, or rules and regulations, the Owner:

- Must maintain an insurance policy covering the Owner's obligations under Subsection 5 of the EV Bill (this section covers maintenance, repair, removal, and replacement of the EV System, and any related damage);
- Is subject to the certificate of insurance obligations stated in Subsection 4(b)(IV) of the EV Bill (see below for clarification), and
- Must name the association as an additional insured under the policy.

WITH RESPECT TO CERTIFICATES OF INSURANCE, SUBSECTION 4(B)(IV) REQUIRES:

- The Owner to provide certificate of insurance naming the association as an additional insured on the Owner's policy for any claim related to installation, maintenance, or use of the EV System, within 14 days after receiving the association's consent, or
- If the EV System is located on a common element, reimbursement to the association for the actual cost of any increased insurance premium amount attributable to the EV System, within 14 days after receiving the association's invoice for the amount attributable to the EV System.

8 Are there any dangers to installing EV Systems?

MAYBE. But we're not experts. The Board needs to speak with experts about limits, safety issues, etc., so as to craft the appropriate safety regulations for its community. Keep in mind that the association is able to adopt bona fide safety requirements consistent with an applicable building code or recognized safety standard. This may require a limitation of the number of EV Systems that may be installed in any given building. Also, regardless of the insurance obligations required for an Owner, the association should be speaking with its own insurance carrier to determine adequate coverage under the association's policy.

9 Must an Owner Remove the EV System if Selling the Unit?

NO. Upon sale if the EV System is removable, the Owner may either remove it or sell it to the buyer of the Unit or to the association. Neither the buyer or the association must purchase the System.

However, if the EV System is not removed, then each successive Owner with exclusive rights to the LCE space in which the EV System is installed "shall assume responsibility for the repair, maintenance, removal and replacement of the charging EV System until the EV System has been removed."

10 Must the Association Allow Tenants to Install EV Systems?

COLORADO LAW DOES NOT REQUIRE ASSOCIATIONS TO ALLOW TENANTS OR NON-OWNER RESIDENTS TO INSTALL EV SYSTEMS. However, the EV Bill imposes restrictions on landlords that are similar to those imposed on associations. So, any tenants who wish to install an EV System will have to make the request through the landlord Owner, who can then make the request to the association.

11 Readiness Checklist

Given the above, what should associations be doing to get ready for more EVs?

1. Adopt an EV Charging System Policy, which discusses locations for installation, conditions for installation, and other requirements as set forth above;
2. If desirable, adopt design and aesthetic guidelines for the EV System;
3. If the EV System is to be installed on an LCE, adopt a standard agreement for Owners to sign, as discussed above;
4. Speak to experts, including the association's insurance carrier, to address safety issues and adequate coverage; and
5. Consider whether the association should install an EV System on the GCE. ⬆

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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:

Jennifer Tirado, CIRMS • CondoLogic | CIRMS | 12/19/2022

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Jenifer Pitcher

Austin Edwards
Addresses of Distinction Street Signs
& Mailboxes

Paul Davidson
Capital One

Jared Martin

Crested Butte Mountain Resort

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Diversified Association Management

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CAI-SOCO EVENT CALENDAR

FEBRUARY

**TUESDAY
14** Education Luncheon

March

**TUESDAY
14** Education Luncheon

**THURSDAY
16** New Member Breakfast

TO REGISTER: www.caisoco.org/events