

How RVR Irrigation Works

Cost sharing and the annual reconciliation with RVR Golf

River Valley Ranch Master Association (RVRMA) and RVR Golf share a system that delivers irrigation water from the Crystal River. RVRMA makes estimated payments to the golf course during the year. After year-end, both parties compare RVRMA's share of actual shared expenses with those payments. This reconciliation determines whether RVRMA owes an additional payment or the golf course owes RVRMA a reimbursement.

How the agreement came about

As part of a 2011 settlement of a longstanding dispute over irrigation charges, RVRMA and Crown Golf negotiated the current amended and restated agreement. It replaced the 1997 agreement and clarified ownership, maintenance duties, cost sharing and billing. This publicly filed, legally binding document is on RVRMA's website and sets the requirements both parties must follow, including annual reconciliation.

Prior to this agreement, much larger payments were made to the golf course owner due to an agreement that was loosely written—favoring the golf course owner. Those representing the HOA at the time felt that irrigation water was a large revenue source for the golf course, acting as a subsidy to its operation. An effort was made to understand what the true costs of operating the system were. The goal was to create a procedure that was fair to both parties, as we ultimately share certain components of the water delivery system.

From the river to the community

Raw river water travels through ditches, ponds and pump stations into the shared delivery system. It then enters separate irrigation networks serving the community and the golf course. The golf course operates the shared delivery system; RVRMA owns and maintains its own community distribution system. The golf course further owns and pays for maintenance on their own irrigation system (not shared). Individual property irrigation systems are a further, separate responsibility.

The cost-sharing arrangement covers shared water delivery and the expenses specified in the water agreement. Each party also pays for its own separate irrigation network as noted above.

Note: RVRMA's common irrigation system runs through the entire ROW (Right of Way) around the community, as well as all common lands, inclusive of the town parks, which RVRMA has a maintenance obligation mandated in the PUD—Planned Unit Development. Valves separate this system from personal irrigation systems in Custom Homes. Old Town, the Settlement and all Sub-HOA's have separate fees for the maintenance of their systems.

How water use is measured

Shared Pump-station meters record the total water delivered. Meters at the community's delivery points (Cla Valves with meters attached) record RVRMA's portion. Under the agreement, golf course use is calculated by subtracting community use from the total. Readings are recorded during the irrigation season, with documented adjustments when readings are unreliable.

RVRMA's annual water-use percentage is its total gallons for the season divided by the total gallons delivered to both parties. This percentage can change each year. It measures the community's collective share, rather than each household's use.

How shared costs are divided

Shared pumping electricity and eligible maintenance costs are allocated using that year's relative water use. Other expenses follow separate rules in the agreement. For example, RVRMA pays 10% of the specified golf course property taxes (shared infrastructure is largely located on RVR Golf lands). The agreement also allocates a share of irrigation management costs to RVRMA. There is no single percentage that applies to every expense.

Shared capital repairs and improvements are budgeted and invoiced separately. Their allocation uses the average of the parties' water-use percentages over the preceding three irrigation seasons.

The annual reconciliation

1 Set the budget. In the fourth quarter, the golf course works with RVRMA to draft the next year's shared operating budget. Recent expenses and water use help estimate RVRMA's share of expense.

2 Make estimated payments. The golf course pays shared operating expenses as they arise. RVRMA pays its budgeted share in 12 equal monthly installments. These payments are estimates of the year's responsibility.

3 Review actual expenses and use. After year-end, the parties review the actual eligible expenses and the season's water records. The golf course provides the financial records supporting the shared costs. RVRMA's actual share is calculated using the allocation rule for each expense category.

4 Settle the difference. The parties subtract RVRMA's estimated payments from its actual share. If RVRMA paid too little, it pays the difference to the golf course. If RVRMA paid too much, the golf course reimburses RVRMA.

The agreement calls for the prior year's review before February 15 and payment of any reconciliation balance within 20 days after the reconciliation is completed.

Simple example. If RVRMA paid \$100,000 during the year and its actual share was \$108,000, it would owe \$8,000. If its actual share was \$95,000, the golf course would reimburse \$5,000. These figures are illustrative.

Why costs and assessments can change

RVRMA's share can change because of electricity rates, repairs, property taxes or its percentage of total water use. A larger community share can increase usage-based charges even if total shared expenses stay the same. Water conservation can help reduce pumping needs and usage-based costs; it does not reduce every expense by the same percentage.

The golf course reconciliation is only one part of RVRMA's irrigation finances. Community irrigation expenses also include RVRMA's own repairs, valve replacements and electricity. How those costs are funded through RVRMA's budget and homeowner or sub-association assessments is a separate process from the annual settlement with the golf course.

Governing documents:

[Amended and Restated Water Delivery, Management and Maintenance Agreement.](#)

The RVRMA website also holds [a document that was released in 2011](#) to explain the agreement. This document features a timeline explaining the history of the dispute, as well as facts and figures explaining water infrastructure.