

Draft Minutes

BOARD OF DIRECTORS MEETING

October 3, 2011

Regular session at 4:00 pm

Board members present were Christie Jensen, Chris Coyle, Gwen Ballard, Dan Ellis, Vanessa Anthes, John Connell and John McDermott. Also attending the meeting were Ranch Manager, Steve Coley, Carol Pucak, Peter Breitenstein, Stephanie McConaughy, Eric Weaver and April Heredia from Robertson & Marchetti, P.C. and administrative assistant, Michele Willey.

Jensen called the meeting to order at 4:03 pm.

Minutes

- Approve draft minutes from September 12, 2011. Jensen called for a motion to approve the minutes from September 12. Coyle motioned. Seconded by McDermott. Unanimously approved.

Homeowner Issues

- Homeowner letters and comments - Spangler water testing response, Schlauch letter, Carol Pucak – Unit #137 **Spangler** water lab tests came back, which showed that water hardness and manganese levels are in excess of state recommendations. Coley has asked AquaTech Systems to work with the water system engineer Ron Cloninger to provide a bid with options by November 1st. Individual systems may be more cost effective. One of the options may be a reverse osmosis system that would increase our wastewater discharge and would have added engineering expenses that would go along with it. Some homeowner's are bleaching their own systems out as they see the need. **Schlauch** letter – Paul Schlauch would like to see many of the burnt dead trees cut down. Coley feels that some need to be left in areas for wildlife habitat and others could be taken down and left to rot on the ground. Our chipper will only chip material up to 12" in diameter. Chris Coyle feels that we should get started with it, see what trees the open space committee would like to keep and slowly work on it. Jensen will write a response to Schlauch's letter. **Carol Pucak** commented on the trees and would like owner's to have input into which trees should be saved. Coley will put that out in the Wrangler for homeowners. She also thanked the committees involved and would like the Board to not use reserve funds to meet current expenses. Also, since homeowner's need to notify the office a week in advance to speak at the meetings so she feels that the agenda needs to be posted much earlier OR they need a shorter time frame to be able to speak at the meetings. Jensen feels that the minutes should also be on the website two weeks after the Board meeting. Coley was directed to post the draft agenda for upcoming Director's meetings more than a week before the meeting, so that members can see what is to be discussed and will have time to ask to speak to the Board of Directors.

Financial

- August financial review – Eric Weaver explained their role as accountants and how to read the financials. He said that they had a lot of clean-up to do from Colorado Property Management Group. Ballard asked Weaver about the Equestrian revenue, and a transfer into that fund. He said some of the revenues were for the winter hay billed to the horse owners. Expenses posted to that fund are purchasing winter hay and for the allocated cost of staff for feeding the horses. The transfer into the Equestrian Fund was out of Operations, because the entirety of the recent Special Assessment had been allotted to Operations, and the transfer was required to meet the budgeted amount for revenues. Ballard said that the Equestrian fund should be a cost center not a revenue center. Weaver said that the other option would be to roll Equestrian into Operations, given that the current bylaws require that there are no direct charges for common recreation elements. Coyle said that tracking the details in each of the funds is necessary and doesn't feel that everything should be generalized. Discussion ensues on the extent of the financial statement from Robertson & Marchetti and if a simplified review for the Board would work. Ballard said that if we don't spend the fire settlement funds on direct mitigation efforts, any amounts spent would trigger a tax event. Ballard also explained that our bookkeeping is on an accrual basis, in that expenses and income are attributed to the month they were incurred, not when they were paid for. This caused a brief discussion as to the month being closed out the following 15th, and the Board could therefore utilize prior month financials for the meetings if they met the third week of the month. Ballard agreed to look into if the funding for the Front Entrance and Highway Mitigation Projects, if taken from fire settlement funds, would be taxed. There was also discussion as to the upcoming meetings of the Finance Committee, and that a tentative budget would be presented to the Board at the November 7 meeting, and for the community to be given notice by December 1.
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- Foreclosure sales scheduled – Alexander, Unit #274 super-lien check received. The Randy Reynolds, Unit #289 foreclosure has not happened yet.
- Collections report – Collections are going well. Grobler, Unit #291 balance owed could be signed over to bad debt or he may work on making payments. Clark at 0108 Surrey Street has been referred to counsel for collection or litigation.
- Finance Committee report –

Old Business

- Ballot language, mail-out planning (pay to play, front entrance, highway mitigation, Bailey Funds release) – Discussion among the Board on this subject and then the discussion was opened up to the public. The actual budget numbers need to be presented to the homeowner's before they are asked to vote on it. We are deferring the front entrance for

now. A third item on the ballot would be to forgive the loan. This needs to be done as soon as possible. We could cut the budget here and there but if we don't maintain everything, it will cost a lot more to fix it in the end. All members need to be contacted in early November by a phone tree of Board members to answer their ballot questions. A special meeting of the homeowners will be held on Saturday, November 12th at 10:00 am at the Third Street Center in Carbondale.

- Signature cards at Alpine Bank, Community Banks – Coley will advise Jensen, Coyle and Ballard when they should stop by and execute signature cards.

New Business

- Infrastructure Committee discussion – John McDermott and Dan Ellis are setting up a conference call with Paul Schlauch, John Hermon and Mike Romanus to get their perspectives on infrastructure priorities. Coley will provide copies of the Bourne Report to Ellis. McDermott said that rather than working on this through committees, he would like this to be a Board level discussion, and that special meetings of the Board may be required.

Manager's report

- Speed bumps painted –
- Condo maintenance (painting and dryer vents) –
- Condo curb stop identification –
- Tree removal lot line identified / trees marked – We are starting a large tree maintenance project and homeowners adjacent to the golf course can get in on it and pay the marginal cost for trees on their properties that have been marked and need to be taken down. A bid for \$4,500 includes the trees on the golf course and adjacent properties and does not include the stump grinding. Jensen said that the stumps on the golf course should be ground, and that perhaps the Ranch should look into purchasing a stump grinder.
- Paint well house – We have stained the wood siding of the pump house to preserve it.

- Update on 2006 ACOE permit – Sue Nall from the Grand Junction office of the Corp of Engineers rejected Coley’s proposal to use Paul Currier to assist in closing the permit. The original permit stated that another artificial wetland needed to be created and another diversion structure would have to be constructed.

- New bank selection – Does the Board have any preference for a new bank? None were brought up. We would like to pull our accounts out of Community Banks and transfer to another bank that is more stable.

Confirm next meeting date

- November 7, 2011
- Moved to recess for Executive Session, 7:10 pm??? (not sure of the time)

Executive Session

Draft Minutes

BOARD OF DIRECTORS MEETING

September 12, 2011

Regular session at 4:00 pm

Board members present were Christie Jensen, Chris Coyle, Gwen Ballard, John Connell, John McDermott, Dan Ellis and Vanessa Anthes. Also attending the meeting were Ranch Manager, Steve Coley, Peter Breitenstein, Stephanie McConaughy and administrative assistant, Michele Willey.

Board Officers:

President – Christie Jensen

Vice President – Chris Coyle

Treasurer –Gwen Ballard

Secretary – Vanessa Anthes

Minutes

- Approve draft minutes from August 8, 2011. Anthes moved to approve the minutes. Seconded by Coyle. Unanimous approval.

Homeowner Issues

- Homeowner letters and comments – M.J. Mastilar submitted a letter asking to tie the irrigation system outside their condo to the Ranch irrigation system. Coley was asked to direct this to the Condo Advisory Committee, get a cost estimate, and see how many other of the condo common areas need improvements to the irrigation systems. There was discussion of the plantings in common area which some owners have improved, and that volunteer waivers should be signed by anyone wanting to work on the common area.
- Coley reported on his follow-up from the letter last month from Unit #137, Linda Spangler, where she had concerns about her water quality. A sample has been submitted to Grand Junction Labs.
- Renters in Unit #263 have left a swamp cooler and trash outside the condo for quite a while. Coley was directed to fine the owner daily until the swamp cooler is removed.
- Mike Romanus asked if we could weed-eat outside the boundary fence at the entrance. Coley was directed to make this happen.

Financial

- July financial review
 1. The billing from Robertson & Marchetti will be lower in the future per a discussion with Eric Weaver.
 2. The loan attributed to the sewer fund may need to be examined and changed to Domestic Water according to Mike Gerber's comments at the Annual Meeting.
 3. There was discussion of tap fees from the neighboring Aspen Equestrian and St. Finnbar developments, and Coley responded that all taps were paid in advance by the developers, but that there is a date in the future for which any taps not used will expire. Aspen Equestrian currently pays \$980 per month and there was brief discussion that it may be time for this rate to be adjusted.
 4. Coley also reported that there was a recent inspection of the domestic water and waste water treatment facilities, and a few deficiencies were reported and are being addressed. In the WWTP, a recording device had failed due to lightning. Other issues were cited per the state inspector but not discussed at the meeting.
 5. We made more for our hay this year than we had to pay out for the winter hay.
 6. Ballard asked that the line item of monthly Golf dues on the invoices needs to be put back into Common dues and not itemized, which the Board supported. There was discussion for an allowance for bad debts.
 7. Coley reported that the administrative expense line item for health insurance is not applicable, since Rick Carsten and he were given a monthly stipend of \$400 to pay for insurance as part of their salaries. This amount will be moved up into compensation for Rick and Steve.
 8. Condo building maintenance is way over budget. It is from the condos that had flood damage and also from the work to prevent freezing pipes. The insurance deductible is \$10,000 so there has not been a claim submitted. Checking all the condos in the winter takes a lot of manpower and should be discussed with the condo committee for some owner responsibility, and that there should be more shut-off valves installed. Foreclosure sales scheduled – Condo #289 foreclosure was re-scheduled. Condo #274 is scheduled for next Wednesday, Sept 21.

- Collections report - 0109 Stagecoach Circle is paid in full. 0473 Stagecoach Lane is working on getting paid up.

Old Business

- Ballot language, mail-out planning (pay to play, front entrance, highway mitigation, Bailey Funds release) – needs to be approved by a 2/3 vote. Coyle will draft a prospectus on the language for the ballot. Coley was directed to obtain owner usage data from the Golf Course, and to provide a pro-forma budget illustrating the impact of either a “user pays” system or “everyone pays” system.

New Business

- Election of Board President, Treasurer – Addressed earlier in the meeting
- Signature cards at Alpine Bank, Community Banks – We need the signatures of the President and the Treasurer on the accounts. Coley will provide details when available. Discussion of moving all operating accounts from Community Banks.
- Finance Committee formation, appointments – suggestions of Gwen Ballard, John Connell, Peter Breitenstein, Steve Coley and Dennis Reynolds. Jensen will follow-up with everyone.
- Infrastructure Committee formation, appointments – suggestions of Dan Ellis, John McDermott, Paul Schlauch, John Hermon, Mike Romanus and Mike Gerber. Jensen will follow-up with everyone.
- Return of Badger – Pending having insurance coverage, outside owner horses would not be allowed. McDermott feel that since there is a possibility of a lawsuit caused by an owner’s horse, we should carry the insurance. Coley will go over this with the insurance company.
- Iron Rose / Buck Deane river work, discussion of 1994 decree as it pertains to repairs at west end – We have not received the information from Bob O’Brien. Coley will discuss the 2006 CORP permit with Paul Currier, an engineer who has done extensive work for the Ranch. Currier and Coley will try to close the 2006 Permit with Sue Nall, the regional director of the Army Corp. of Engineers

Manager’s report

- FlyWater update – Master plan on mapping that will tie into our GIS system.
- Condo maintenance – We power-washed the condos and repaired some skylights in the roofs.
- Condo flooding – We had a few floods this year. Condo #249 pipe burst in a pinhole leak on the hot water side.
- Tree removal, east end of golf course – There are many dead cottonwoods along the golf course at the end of Stagecoach Lane that we will take them down after the ground is frozen. This will be quite a large project of approximately \$5,000 but the charge will be broken out for individual trees in homeowners’ yards.

Confirm next meeting date

- October 3, 2011
- Moved to recess for Executive session by Anthes. Seconded by Ellis.

Executive Session

