

Minutes of Board of Directors Meeting

October 4, 2010

Regular Session was called to order at 4 pm

Board members present were Chris Coyle, Christie Jensen, Dennis Reynolds, Gordon Nelson, Paul Schlauch and Ranch Manager, Steve Coley. Also attending the meeting were Joanne and Ed Anderson, Richard Sierzant, Marcy Kneiper, Tom Vail, Ryan Hurley from Peliton Insurance and Michele Willey.

Minutes

- Nelson moved to accept the minutes of the September 13, 2010 meeting. Seconded by Reynolds. PASSED unanimously.

Homeowner Issues

- **Homeowner letters and comments –**

Richard Sierzant submitted a letter – He has renters on one side and a homeowner on the other side and feels that they don't take proper care of their lawn and trees. Some of the trees are dead and need to be dealt with. Schlauch asked the Ranch Manager to inspect the lots and if he concludes that their condition violates the standards of the RRF declaration or other applicable standards, to send a formal notice to the homeowners advising that they must bring their property into compliance. **Action:** The HOA will enforce rules relating to the appearance of lot if there is no corrective action by a homeowner after a warning and bill the homeowner for the costs of the corrective actions. This approach also applies to Ranch Creek vacant lots. The Ranch Manager was asked to take pictures of any property that is out of compliance.

Robin Garvik requested permission to park their RV in their driveway for guests staying for a period of two weeks. The Board feels that two weeks is too long and that rentals are available at the ranch and there are motel rooms available nearby and therefore denied the request for a variance

Richard Sierzant asked about follow up to previous board action regarding covenant enforcement, citing as an example a previous decision that when properties with unpaved driveways were sold the driveways needed to be paved in order to come into compliance with the declaration. He said that some properties have been sold with unpaved driveways after that decision, for example the Jacobsen property. The Board asked the Ranch Manager to collect all board decisions relating to covenant enforcement in the past several years so that

would be readily available. . Sierzant also suggested a boundary survey to define open space and the owner's space. Schlauch said that the new GIS should allow us to do that.

Old Business

- **2006 COE permit** – Coley said that he has had no response from our consultant O'Brien after a number of attempts to contact him regarding the closing of 2006 permit. In recent conversations the Corps of Engineers said that the permit conditions have been fulfilled. Coley believes he will be able to close out the permit without further involvement of the consultant. The Board requested that he try to do so.
- **CDOT fence planting proposal / RFTA gate** – There is no way that we can plant vines to grow into the CDOT wire fence or shrubs directly next to the fence. CDOT sprays for weeds and needs to be able to see the fence. The RFTA gate will be right next to the cattle guard on the east side.
- **Plats of the ranch** – We now have all recorded plats of the Ranch. .

New Business

- **Architectural Review board, fence extension variance** – Pfautz and Kneiper requested a variance from the 6 foot height limit on property line fences to allow them to place a 2 foot high lattice on top of the existing fence. The request raised the possibility that the lattice extension could eventually go along the whole block. Given the unusual circumstances on this block, where the lots on the north are several feet higher than the lots on the south side, the board thought that a variance might be justified. However, individual board members wanted the opportunity to view the area involved before making a decision. The variance request was tabled until the November board meeting.
- **Ryan Hurley, Peliton Insurance** (overview of existing policy, change in golf course liability, WWTP accidental discharge policy, condo deductible)

1. Condo deductible: Hurley suggested that the Association should consider a \$10,000 deductible. This would mean that the condominium unit owner, rather than the HOA would be responsible for damage to any finished interior surface, improvements and furniture. .This would not reduce the condo insurance premium paid by the HOA. However, it would reduce the amount the HOA has to pay for damage caused by such things as frozen water pipes. The net effect of this change in insurance coverage would be to shift some financial responsibility for damage to the interiors of the condos from the HOA to the unit owners. Coyle suggested that all condo owners should be required to turn in certificates of insurance so that we can be assured that their insurance covers this risk.

Reynolds moved and Coyle seconded that this recommendation be adopted effective January 1st. PASSED unanimously.

Action: Letter to condo owners advising of change and explaining why this is happening.

2. Golf Course Liability: Tom Vail said that his insurance company states that the exposure and liability would be covered by the Ranch. Golfers would also be liable for any damage from their golf balls. Hurley said that under the circumstances, no change in the Ranch policy was necessary.

3. Accidental WWTP discharge: This insurance would cost \$4,000 per year (for \$1 million coverage a year). The system is aging and the value of the downstream property has increased. Sudden or accidental discharge would be covered on a “claims made” basis., Our liability umbrella policy would stack on top of this policy to provide \$15 million of additional coverage. Nelson moved to go add this coverage to our policy as quickly as possible and Reynolds seconded. PASSED unanimously.

- **Rainbow Court Cul de Sac** – was surveyed. The surveyed showed that adjacent lot owners have planted trees built flower beds and made other improvements within the area of the Cul de sac. Nelson believes that in the future the Association might want to create areas for parking or other improvements in the Cul de sac. The Board asked the Ranch Manger to write a letter to the owners of property abutting the Cul de sac advising them that the Cul de sac has been surveyed and its boundaries marked on the ground. The Board does not intend to require these owners, at this time, to remove any improvements they have placed in the Cul de sac. However, they will be asked to acknowledge the boundaries of the Cul de sac as surveyed and will be required to execute a license that will specify the conditions under they will be allowed to maintain any improvements that they have already placed in that area

Action: Coley will prepare the letters.

- **FAC report / shelter / easement** – There is concern with access off Surrey Street and access along the creek. There is an easement between lots 2 and 3 that provides a means of pedestrian access from Survey Street to the stream. However, this is not a convenient route and does not provide access to the entire length of Sopris Creek behind the Elder Subdivision lots. Fishing easements were included on the original plat of these lots. But, when the Elder Subdivision was replatted fishing easements were not on the recorded plat. The Ranch Manger was asked to continue to review access options. **Other Business - Richard Sierzant** asked about the “dredging fund.” Reynolds said that there has never been a separate dredging fund and that the money was always put into the general fund. Schlauch said that the 2011 budget should not contain any reference to a dredging **fund**.
- **Horse feeding this winter, staff or subcontractor, separate pastures** - Ranch staff should be able to handle the feeding of the horses. Last winter, \$4,700 was spent on it and Coley feels that the staff could do it from now on.

- **Hay, sell our hay to offset more hay purchases** - One third of the hay is purchased from the outside and we would like to offset those costs by selling our hay and then buying 100 bales of better hay. Also, Kneiper said with only nine horses now they would like to have five hosted boarders to bring in extra revenue. This matter will be considered in connection with the updated plan for the open space.
- **Community Banks CD** – The CD came due on October 2nd and we will move it to RBC Investments from Community Banks.
- **FlyWater Agreement** – Nelson stated that a start and end date should be included in their paperwork. Also Coyle feels that they should attach the scope of the work that is being done to the bill. Schlauch said the Ranch should be notified of and have the right to approve any proposed subcontracting of the work. . Nelson moved that the contract distributed to the board prior to the meeting be approved, with the modifications suggested by Nelson, Schlauch and Coyle. Reynolds seconded the motion. PASSED unanimously.
- **GeoSpatial Logic** (GIS Contract) – The board favors entering an arrangement with GeoSpatial Logic, but decided not to approve the form of contract tender by this contractor because its terms were not sufficiently clear. Coley was requested to work with the contractor to develop a more comprehensible form of agreement.
- **CPMG notice of cancellation letter** – We have cancelled the contract with CPMG as of January 31, 2011 with them to complete reports to the Board and to the IRS as needed.
- **Allos Therapeutics Stock** – Broker will be checking and reporting
- **Committees** – Tabled until November 1 meeting.
- **Board of Directors' priorities for 2011** – The priorities for the board that had been determined in the working session that immediately preceded the formal meeting were adopted by the board. A copy of those priorities is attached to these minutes.

Manager's report

- **Headgate cleanout** – We are sending a bill to Tom Bailey for a third of the expense for the headgate cleanout.
- **Ranch credit cards** – We cancelled some previous credit cards that were still around, and opened one for Tom and Nancy Vail. All golf transactions will be with Alpine Bank.
- **Trees marked** – They are marked so we can know which ones to cut in the winter. We will keep cutting them down.
- **Priorities for October**

Wrangler

Budget prep

Accounting database uploaded to Quickbooks

Close 2006 COE permit

River stabilization project permitted, completed – by mid November

Pond channels dredged

Condo's ready for cold weather – we are going in all condos this winter to check things out.

Trees are out so let's get in and clean out willows and other things with the reserve fund

Financial

- **August Financials**, The board instructed the Ranch Manager to take certain actions with respect to HOA dues and RV lot fees that are in arrears. , Zen Excavating expenses will be coded out of the fishing fund (which was made in error) and charged to general operations.

Domestic water category was overspent and WWTP has not been billed consistently. These matters will be addressed.

Confirm next meeting date

November 1, 2010

Adjourn Regular Meeting - motioned to adjourn made by Nelson and seconded by Coyle. Meeting adjourned.

Board of Directors

Priorities for 2011

1. New Accounting System. Dennis Reynolds and Steve Coley
2. Capital Improvements and Replacement Plans. Gordon Nelson, Dennis Reynolds, Paul Schlauch, Steve Coley

3. Open Space. Christie Jensen, Chris Coyle, Steve Coley
 - a. Removal of dead tress
 - b. Water flow management
 - c. Hay Crop
 - d. Equestrian
 - e. Highway 82
 - f. Trail, structures
4. Condo. Chris Coyle, Paul Schlauch, Dennis Reynolds, Steve Coley
 - a. Freezing water pipes
 - b. Repairs / replacement of common elements
5. Organizational Documents. Paul Schlauch, Chris Coyle
 - a. Articles
 - b. Bylaws
 - c. Declarations.