

MINUTES

BOARD OF DIRECTORS MEETING

July 11, 2011

Regular session

Board members present were Paul Schlauch, Dennis Reynolds, Christie Jensen, Chris Coyle, Dan Ellis and Vanessa Anthes, with Gwen Ballard attending by conference call. Also attending the meeting were Ranch Manager, Steve Coley, Mardie Schlauch, Carol Pucak, Stephanie and Stewart McConaughy, Peter Breitenstein, Ed Anderson, John Schlecten, Jerry Katz, Susan Frisch and Tom Vail. Ranch CPA Eric Weaver attended by phone

Paul Schlauch called the meeting to order at 4:05 pm.

Minutes

- Approve draft minutes from June 6, 2011 meeting. The wrong version was included in the Board packet. Approval deferred to the next Director's meeting.

Homeowner Issues

- Homeowner letters and comments. None.

Old Business

- Discussion of the possible amendment to the Declaration to enumerate activities and facilities usage for which a charge may be assessed. These activities and uses would be limited to storage at the RV lot, fishing and boarding horses. It was determined that this proposed amendment will be discussed at the upcoming annual meeting and then submitted for membership approval at a time to be determined subsequent to that meeting. Jensen indicated she does not support the proposed amendment to the Declaration. Public comment from Breitenstein who said that language should be "fee for usage." Motion made by Coyle to change language to specify fee for usage of the RV lot, boarding horses and fishing amenities, seconded by Ballard, and to recommend its approval to the membership at the Annual Meeting. Passed 4-3, with Schlauch, Reynolds and Jensen voting against.
- Action on OSAC proposal regarding Highway 82 Landscaping Plan and Entranceway. Review of plans and budgeting for both projects as prepared by Jensen. The respective plans will be made available for review both before and during the Annual Meeting. It was anticipated they would be discussed at the annual meeting and a vote on their approval would be held at a time to be determined subsequent to that meeting.
Ed Anderson requested information on the amount of the gift from the anonymous donor. Jensen stated that the amount had not yet been determined and that the donor did not want to dictate the design of the entranceway. Ellis wanted clarification on funding for the projects. Utilization of the Bailey funds was discussed, particularly with reference to the Highway 82 Landscaping Plan. Further public comment was taken from Ed Anderson. He stated that in his opinion the fire settlement funds should be spent on improving the acreage on the south side of the Ranch damaged by the fire. Katz inquired into the balance remaining in the Bailey fund. He was advised its current balance was approximately \$600,000, not including the \$400,000 inter-fund loan. Katz supported the Hwy 82 landscaping and Entranceway plans, and felt that it had been appropriate in lieu of a sound wall. Tom Vail asked if plans included Lot 13 (it does),

Mardie Schlauch wanted to make sure that the donor was honored, and that their participation was not diluted by including the donation in both projects. Stephanie McConaughy stated that the plans were two separate items, and perhaps should be voted on as such. Peter Breitenstein that the language of the proposal as it goes to the membership should include a “not to exceed” amount. The Board indicated its preliminary approval of the plans, but deferred final approval of a recommendation to the membership regarding the two projects until after members have an opportunity to view and comment on the plans at an open house planned for the week of July 18th.

- Consideration of need for and amount of 2011 special assessment, if any, required to offset lost budgeted income from golf, horse and storage amenities. Reynolds presented his review of the cash flow needs of the HOA to augment the losses sustained as a result of not charging those budgeted items for the use of the RV Lot, horse boarding, golf as well as greater than expected expenses for legal, accounting and water and wastewater repairs. It was determined by the board that the amount required to cover the cash shortfall in 2011 is \$63,000. Discussion was then held regarding when the assessment should be due and when notice of the assessment should be given, and notice given the membership. A motion made was made by Reynolds that a \$400 Special Assessment be charged all members, to be paid in full by October 31, 2011. Seconded by Jensen. Passes 6-0, Ballard not available by conference call for the vote.
- Action regarding definitions of Owner and Guest, including consideration of report of the FWAC on this topic. Moved to new business.
- Girardot Building application. Grading and landscape plan, as well as the fee for the application have not been received.
- Action on proposal to amend bylaws to eliminate the power of the Board of Directors to further amend the bylaws. Discussion by Directors to delegate to the membership the right to change the Bylaws. Motion made by Coyle to eliminate Board powers to amend Bylaws. Seconded by Ballard. Vote 3-3-1, with Ellis, Reynolds and Jensen against, Anthes abstaining. Motion failed.
- FWAC report: RFP to FlyWater for Fishing/Waterways Master Plan; Trimming of grass and willows along stream banks; Owner/Guest definitions for fishing badges. Stephanie McConaughy presented the FWAC recommendation to approve FlyWater’s Master Plan proposal, which does not include implementation of any specific stream projects. Reynolds moved to approve the proposal and its cost of \$19,955, seconded by Coyle. Passes unanimously. Board discussion and approval of staff trimming of grass and willows under supervision of FWAC and FlyWater recommendations. FWAC indicated its support of the current definitions of “owner” and “guest” as set forth in the current Declaration, i.e. an owner is the legal titleholder for each Ranch unit. It also suggested no changes to the fishing badge fee structure. Schlauch commended the FWAC for their work on this tough issue, and asked for more specific language on owner definition as well as how regulation of the usage of the fishing amenity can be implemented.

New Business

- Consideration of early repayment of 2006 new stream project debt through use of “Bailey Funds” or other sources. Discussion revealed that the savings are not significant. The Directors do not support an early payoff through use of the Bailey funds.

- Planning for annual membership meeting, including
 - Distribution of report of nominating committee
 - Vote on entranceway and landscaping plans
 - Vote on use of Bailey Funds for repayment of WWTP loan and Highway 82 landscaping and release of remaining funds for capital repair and replacement projects
 - Notice of the Annual Meeting is required to be no less than 10 days, and no more than 50 days prior to the meeting.
 - There will be 2 vacancies on the Board of Directors, and candidate resumes will be made available in the meeting notice.

- McConaughy easement. Road access to open space adjacent to 456 Stagecoach lane lies within lot lines, and there has not been an easement recorded. McConaughy's will have their attorney draft an easement agreement. The Board approved the expenditure of up to \$1,000 to cover the legal expense of the McConaughy's expense in preparing and concluding the documentation of the easement agreement.

Manager's report

- GIS data received, functioning
- Condo roofs done
- Haying operations to begin shortly after rains stop
- Golf course pump repairs
- Claffey visit, will be providing reports to close 2006 Corp of Engineer permit
- Pasture weed spraying has been completed and was successful
- Coley was directed to give identified members due notice that he is willfully violating policy by playing golf even though privileges have been suspended for lack of payment of HOA dues.

Financial

- May financial review. Aggressive action to be taken on members with a balance due in excess of \$2,000. Reynolds stated that a capital expenditure budget had been approved but was not apparent in financial documents. Coley was instructed to determine status of the audit. Reynolds also asked Weaver to modify the monthly financial statements to include YTD columns, and to month/year comparisons once 2012 begins. Weaver said that he agreed that as of now, the Ranch is operating close to break-even, and supported the need for a special assessment
- Foreclosure sales scheduled. Alexander on August 3, Randy Reynolds on August 13.
- Allocations of expenses to Golf were discussed, no conclusion was reached.

Confirm next meeting date

- Aug 8, 2011, regular meeting at 4:00.

Coyle moved to adjourn at 7:02 pm, Reynolds seconded. Unanimously approved.