

OWNERS ASSOCIATION OF ELK MEADOWS ESTATES

Minutes of Annual Do-Over Meeting 2018 (due to failed quorum in July 2018)
October 20, 2018

I. OPENING

- A. Roll call and introductions: Belinda Chisholm (lot 10), president, called the meeting to order at 9:00am, and thanked everyone in attendance.
 - a. Attendance: Per sign-in and proxy sheets (hardcopies on file)
- B. Open Forum call to add items to the agenda:
 - a. Peter Roland (lot 438) asked for a conservation committee report
 - b. Rick Arnhold (lot 227) asked for a review of the Rosetti fence abutting his property
 - c. Diane Thompson (lot 115) asked to review of County Road 5 discussions
 - d. Nancy Lazenga (lot 123) asked for a discussion on drones
- C. Number of shares (lots) represented: 32 in person; 51 proxies. Total properties represented: 83; this being greater than 60%, and pending confirmation of numbers, quorum is achieved.
- D. Call for ballot counters: Joe Lange (lot 215), Lance Fitzgerald (lot 222), Rebecca Kindred (lots 205, 202)
- E. Motion to approve minutes of the 2016 Annual meeting: Jim Wing; seconded: Joe Lange; all approved. Motion passed.

II. PRESENTATIONS/COMMITTEE REPORTS

- A. Treasurer's Report: Maggie Guscott (lot 305) As an update of the July 2018 Annual meeting financial presentation/report (see presentation on website), Maggie confirmed the line items projected to be over-budget (for more details see September financial report on the website) as:
 - a. Insurance, both General Liability and Directors and Officers, by about \$1,400 through the end of 2018 (\$2,800 total) and \$1,500 respectively. The former was increased due to a new requirement by the carrier for added insurance for water testing. Directors and Officers insurance was finally acquired after a several-month search through a number of carriers, at an annual premium of \$10,690 to be paid in full NOW to secure said insurance;
 - b. Management in terms of (legal expenses for) work required on the governing document revision project;
 - c. Legal expenses related to non-lawsuit business;
 - d. Internet communication tools/software, for improved communication with membership (such as MM);
 - e. General office, related to multiple membership meetings and community mailings.
- B. Capital Repair & Replacement Plan and Reserve Study (Belinda) is in process through *Association Reserves*, a Denver, CO company selected after reviewing bids from several companies. A site visit is scheduled, and an initial report is expected by the end of 2018, with a complete report in Q1 2019. The final report will be presented to the community at the 2019 annual meeting. In answer to one question, our auditor has been involved, requirements being that the study

assess the value of our assets and our reserve accounts with regard to the rate of building those accounts and what is needed for repair and replacement.

- C. Sewer and Water report: Belinda reported (on behalf of the water/sewer team) that
- a. Both systems are operating correctly.
 - b. Water system: As a result of the drought conditions this summer, a water restriction policy has been created and is part of our policies. Operationally, spring flow is being monitored – and published on the Elk Meadows website. Due to a decrease in people’s water usage (refer to the website for individual homeowner usage) and a recent increase in moisture, the policy has not yet been activated; however spring/summer 2019 conditions may change the situation.

At present leaks are handled by informing and encouraging homeowners to fix their leaks; turning off water can only be done for lack of payment, not for a persistent leak, however people who are not in residence could ask that their water be turned off while they are absent. The Reserve Study may point to (or endorse the new water restriction policy in terms of) changing the fee structure for overuse.

During this summer’s high use time, average spring flow was ~31 000 gallons per day to average community usage of 30,000 gallons. And yes, the community has adequate water supply if fully built out, unless, of course we experience a prolonged drought where supply decreases for example to 15,000 gallons a day. And yes, the tank is refilling overnight. At peak occupancy during peak use in the summer months, our wells supplemented the spring.

To the question about how much water runs off (is wasted), it was pointed out that about 3,000 gallons is required (over actual usage) to “run off” through the sewer system. And as the “older” members of the community agreed, prior to the water pipes being replaced and the new water system being installed, we were losing as much as we were using and the water was not reliably available.

- D. Solar report: The main items of report are that
- a. The solar team has tilted the solar panels for the winter season.
 - b. The loan is being paid down faster than originally predicted, as a result of converting (and readdressing) the loan after construction was completed.

- E. Roads: Scott Alamprese (lot 7) summarized the road/snow plowing plans for the immediate future as follows:

- a. Fall grading has just been successfully completed.
- b. A 3-5 year plan includes a plan for culverts of different materials based on location, and ditches for improved (deeper) drainage; this is a Capital Repair and Replacement Plan item.
- c. Rick Arnhold asked about magnesium chloride: Following the raised points that it is expensive, is environmentally non-friendly (kills trees), and is a perhaps a concern with regard to our water source – and even alternatives are expensive, it was noted that a committee is working on the related issue of dust mitigation – and could include this question.

In addition:

- d. Over the next 3 years firefighting equipment throughout the development will be upgraded to include more hydrants, and a number of cisterns mapped and locations

identified for additional ones. The plan for this upgrade will be developed in the new year.

- e. The snow plowing contract is signed; it was noted to be an improvement over contracts in the recent past, including # of plows as part of the (industry-standard) retainer. Depending on performance, the board will consider converting to a longer term contract.
 - f. Chris Miller is the contractor retained for both roads (grading) and snow plowing.
 - g. Belinda asked (the community) to contact any of the board should they have specific grading or snow plowing requirements in the event they need extra help.
- F. Governing Documents: Belinda noted that while these were on the ballot for the July 2018 Annual meeting, they were separated away from the issues of this meeting in order to (a) isolate the vote for which the board would like to see 100% community participation, and relatedly complete that project, and (b) achieve (or not achieve) a quorum based on which to conclude the voting on the other items up for vote (management company, 2019 budget, paying down the USDA loan).

OLD BUSINESS

A. Candidates for Board of Directors:

Belinda stated for the (four) board members currently in place are willing to run for the remaining term(s) but the membership can nominate anyone else - or volunteer - to run in their stead. She also reminded the membership that a fifth candidate (Bill Stagg (lot 304) has offered his resume for consideration (which she read). There was no argument from the floor. Nominations from the floor? None.

B. Discussion on issues for vote

1. Quorum reduction: Zander parker (lot 15) commented in supported to a reduced (to 30% - 10%) quorum, that it is important for the board to get things done. Jim Sidwell asked for confirmation (which the board confirmed) that (without a quorum at this meeting, or) without adoption of the governing documents, the association could ask for a court order to rule for a quorum reduction, noting that the state minimum is 20%.

2. 2019 Budget approval:

Belinda explained to the membership that, with a new state law passed after July 2018, the community must now vote to approve (or not) a new budget, which is why this item is on the agenda.

3. Property management:

Reminding the community of the proposal made at the 2018 Annual meeting, Belinda emphasized that a vote to approve this item means that the community wishes to further explore the options; i.e. a committee would be formed to further research and advise as to the findings.

4. USDA loan paydown:

A vote to approve this item would mean that a change in dues would be made effective January 2019 to reflect community wishes (of an increase of \$5 or of \$10 a month for all homeowners). Nancy Lazenga raised the concern that this item might be premature given the Reserve Study underway – and its implications. The board acknowledged this concern.

NEW BUSINESS

Items from the floor (per 1B above)

1. Conservation committee: Peter Rowland (non-committee) offered his view as follows:
 - a. Concern for the well-being of property and common/open space, and a need for ongoing weed control and protection against invasive species. He stated that some weeds are mandated to control and that in the past the association has contracted for weed spraying. He added the related concern about protection of wildlife and the negative impact of certain species on the wildlife.
 - b. Concern regarding individual homeowners' responsibility for supporting the county initiative for control of invasive species; he suggested reinstating a (regular?) community-wide promotion of weeds and species to watch out for and control via MM.
 - c. Call for volunteers to be part of the conservation initiative in the community/on the committee.
2. Dark skies, or the objective of reducing light pollution: Peter R offered that:
 - a. County regulations as well as a Ridgway dark skies initiative are in place on this issue.
 - b. Fixtures need to be less than 40 watts in power, and shielded. And spotlights need to be on 10-minute (or less) timers. Peter and Willy Krois (lot 224) are both willing to assist homeowners with questions.
 - c. In answer about what to do about neighbors who are violating or causing a problem, one answer is to talk to them or let the board know or go to the county. Zander reinforced the first, neighbor to neighbor first.
3. Rosetti fence – Rick Arnhold shared the situation about encroachment of the fence between their property and the Rosetti family, stating his concern that Rosetti might choose to go to litigation for adverse possession. Belinda summarized her verbal agreement with Rosetti about agreeing to move the fence once the pins located. She'll resend the email stating this.
4. County Rd 5 – Diane Thompson summarized the state of affairs between the Board of County Commissioners and certain homeowners regarding plowing above the mailboxes (outside EMHOA). She asked concerned homeowners to write the county commissioners to express their wishes and noted that the HOA can't make a stance on this.
5. Drones – Nancy Lazenga stated that the noise is annoying. While there is currently no policy/rule on drones, once the Governing Documents are adopted, rules will be drafted including drones, sheds, and all other items considered necessary to keep peace and harmony in our development. Thus far the list of such rules include:
 - a. quiet hours, county ordinances, sheds, animals beyond dogs and cats, noise, drones, construction, ATV use around the development, camping, ETC...Belinda noted the rules can be added to, replaced, changed as needed.
 - b. In reply to a question about enforcement, while the current Governing Documents do not offer a solution, the new documents give more options including a fine structure and legal action if necessary.

RESULTS OF VOTING

- A. Candidates:
Belinda 81

Ceann 82
Maggie 82
Scott 82
Bill S 58

B. Other items

Quorum reduction: 74 (Y) to 7(N)
Property mgmt., further investigation: 18 (Y) to 64 (N)
Pay down USDA loan: 55 (Y) to 28 (N)
 \$10/month (37), \$5/month (18)
2019 Budget approval: 81(Y) to 2(N)

ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted: Maggie Guscott (treasurer)

DRAFT