

Board Meeting Minutes
Owners Association of Elk Meadows
October 20, 2015

The meeting was called to order at 6:30pm by Joe Lange.

A. Opening

2. Roll Call

Board Members: Joe Lange President, Guy Poulin 1st Vice President, David Mullings 2nd Vice President, and Maggie Guscott Treasurer. (Diane Thompson, Secretary designate, absent for personal reasons.)

Guests: Helen Bowers, Bill Chipley, MaryBeth Davis, Rick Greene, Ceann Ingram, Peter Rowland, Jim Stephenson (members).

3. Call for items from board members: None

4. Open Forum:

- a. Jim Stephenson asked for the excess water fee of \$74.80 caused by a broken water line into his house to be waived.

Motion to waive fee: Joe Lange; seconded: David Mullings; motion passed.

Regarding the general problem, Jim Hayford is steadily fixing defective PRVs around the development.

- b. Ceann Ingram asked that emergency contact information be added to the directory.

Motion to include emergency information: Joe Lange; seconded: Maggie Guscott; motion passed.

Action: Ceann will confirm accuracy and forward a suggested list.

- c. Rick Greene asked for consideration of road access to lot 12, which is landlocked.

Motion to research access, including right of way and survey as necessary: Guy Poulin; seconded: Joe Lange; motion passed.

B. Formal Approval

September board meeting minutes

Motion to approve minutes: David Mullings; seconded: Guy Poulin; motion passed.

Action: Maggie G will publish minutes accordingly. The board agreed that, in the future, draft minutes will be published as soon as email-approved after each meeting (not waiting for formal approval).

C. Treasurer's report was accepted as submitted, with the following comments/advice:

1. *Sewer Pump-Out charge was paid out of the pump-out saving account plus reserve account.*
2. *2014 Audit has been finalized and will be forwarded to board member when hardcopies arrive.*
3. *Once the association's secretary-designate has been officially appointed, Citizen's Bank cards will be published for board signatures and CAI update.*
4. *Except for delinquent accounts and higher-than-expected charges for sewer pump-out, income/expenses track expectation. No questions from the board or floor.*
5. *Delinquent accounts (detail in Executive Session). Ceann offered to work with Maggie to ensure an effective process for notification and collection.*

D. Committee Reports

1. *Sewer/Water*: Joe reported as follows:

a. *Sewer system*: The system was pumped-out as planned, however it was an almost-disaster as a result of being overfull – which could have resulted in a bill of about \$100,000 to fix it. The question as to when it was pumped out last was answered in the 2009 minutes, where Tim Beene was charged with the operation; however Tim apparently did not feel he was given the actual directive to do so.

Tim has passed over a maintenance manual for the sewer system, suggesting a schedule for checks and pump-outs and, in particular, an annual check for sludge. Joe recommended that such annual checks should become a formality in terms of measuring sludge/solids, etc., with a board member or designee present as witness. This ‘event’ should be on the board calendar of events. Moving forward, per Roto Rooter’s report, we should pump out again in September 2016 with more attention to what could not be accomplished this time.

Action: Joe will check/refine Dan Barteshius’ contract to be very specific about his duties and our expectations.

b. *Water system*: Joe Lange summarized Jim Hayford’s proposal for an upgrade to the water system to allow remote access (for ‘immediate’ detection of operational problems) at an estimated one-time cost (including internet connection, wifi adapter and modem, VOIP adapter, remote viewer software, and installation fee) of \$460 and a \$21 monthly service fee.

Motion to direct Jim H to proceed: Joe Lange; seconded: Maggie Guscott; motion passed.

2. *Finance/Budget*: Maggie G summarized the state of 2016 budget development as follows:

a. The distributed draft budget (emailed Sept 13) was built on the 2015 budget with the following changes to reflect the year’s expense patterns:

- i. Increases in the estimated costs for road grading, weed control, landscaping (tree treatment), management consultation, and sewer pump-out;
- ii. Decrease (to zero) of officer allowances.

b. Suggested further changes:

- i. Insurance expenses (D & O and General Liability) to reflect current expenses;
- ii. Testing (water and sewer) expenses switched and corrected to reflect actual water versus sewer testing expenses.
- iii. Dan Barteshius’ fee changed to reflect actual charges for his services over and above his costs associated with (and charged to) the sewer system.

c. Guy suggested that we need to analyze and revise the Capital Reserves Budget ready to present to the membership for approval at the next annual meeting.

d. Excess funds should be transferred after each year’s finalized audit to reserve funds per a publicized plan that adheres to the CCIOA recommendation that such funds may be used to offset future expenses thus.

Action: Maggie will update the Sept 13 version with the suggested changes (b, above) and forward to the board for digestion, and possible vote to approve at the November

meeting.

3. *Roads*:

i. *Speed dips or bumps*: After discussion as to cost (estimate: \$3500 per speed bump) and effectiveness (drainage issues related to dips), and locations to slow traffic down

through Elk Meadows, the board decided to reconsider the issue in the spring, perhaps in terms of gravel piles that could then be re-commissioned to fix the road.

ii. *Snow removal*: Guy reported that Jonathan Discoe has agreed to plow for the development again this winter, and will furnish a proposal for same, although said proposal will show a necessary increase in cost.

Action: Guy will forward the proposal to the board for approval.

4. *Conservation*:

i. *Weed control*: Peter Rowland stated that weed control has to be an ongoing process and, in particular, emphasized that weeding the sand trap at the sewer system should be part of maintenance process. In concert with Ron Mabry's county-wide 5-year plan for weed management, the question of how to build awareness among home owners of the importance of removing noxious weeds was discussed and the similarity to the question of treating trees - which resulted in the tree treatment project. Joe thanked Peter on behalf of the board for his dedication to managing the removal of weeds around Elk Meadows.

ii. *Dead tree removal*: Helen Bowers reported that Collin Justman is in the process of removing the dead trees identified during the tree treatment project earlier this year. The possibility of whether Collin might be able to touch up the 'water tank road' after bringing the trees down that way was discussed.

5. *Renters*: Rick Greene reported that work continues, in particular in regards to gaining renter support of and participation in the general direction of the committee.

6. *Governance*: Joe reported that Walt Atwood awaits the report from Murray Bain (Summit HOA Services), the outcome of which will indicate possible next steps.

7. *Communications*, as follows:

a. *Directory*: see A4b above.

b. *Newsletter*: a possible article on protecting the sewer system (and individual septic tanks) from items that do not decompose was proposed.

E. Issues for Discussion

a. *Lot 222 property boundary and land exchange*. Joe reported that the proposed land trade to settle the issue has been accepted by both parties and their attorneys; the property owners will assume the cost of a survey that will enable sale of their property.

b. *Solar electric project discussion*: Helen Bowers stated that she awaits financial/tax data and answers to questions related to estimated value, use of tax credits, use of accelerated depreciation – and what is it all worth to the association. Answers to the questions should able her to suggest options.

MaryBeth advised that a statement of confidentiality be attached to any information that is passed on to professionals other than those with whom we already have contracts.

c. *Insurance*: MaryBeth D reported that the D & O Insurance policy is imminent. Regarding the commercial package (with Liberty Mutual), she is reviewing the adequacy of our policy with our agent in terms of properties covered and the associated coverage for said properties; target date for her report: December, 2015. (See Appendix for reports on both policies.)

d. *Signs*: On the issue of the proposed sign up to the water tank,

Action: Rick Greene committed to talk with our USDA contact about the requirement for a 'no access' sign up to the water tank. Regarding the road to the water plant (Aspen

at the San Juan intersection) however, it was decided that such a sign should be installed to deter people from going down to the water plant. Peter Rowland agreed to install that sign.

e. *Fences:* Discussion covered the issues of community/common property, fence ownership, relationship and responsibilities of adjoining property owners, ‘open range’ fence-out versus fence-in perspectives, and liability for trespassing and related damages; the underlying issue being fence maintenance responsibilities.

Guy offered that, per plat maps deeded over to EMHOA, no fences are included, fences were on adjoining properties and managed by adjoining owners. This is not ‘open range.’ He referred to Colorado Fence Law which the state dept of taxation goes by, pointing out that, when people lease their land, the person who leases the land maintains the fence, indemnifying the property owners of any liability of their livestock. He added that all leases he has reviewed take the stance of putting the responsibility on the people leasing the land. Looked at and interpreted, if you don’t fence your property, you should call the cattle owner to remove their cattle.

To the point that adjoining property owners share fence costs, this would be appropriate if the fence were common property (which, in our case, it is not); or if the adjoining properties are designated agricultural and benefit from agricultural status (which we are/do not) and if they share in agricultural endeavors, then perhaps they would decide to share costs for their mutual benefit.

Helen challenged the above position, asking if we are changing the historical stance that we maintain the fence, given that we have always done so. Joe pointed out that there has never been a policy to that effect but only a volunteer initiative. The issue of contention is common property as related to fence maintenance, and ‘lawful’ fences. She said that, if we must keep cows out of Elk Meadows, we have responsibility for maintaining the fences; property owners having no responsibility - in spite of the fact that the property owners are resurveying and resetting fence lines to their satisfaction so they can lease their property legally. Suggesting legal opinion on the issue, the board endorsed her getting a legal opinion.

Marybeth pointed out that, while there may be a contrarian opinion on the whole issue, Guy’s perspective is professional. She asked that his opinion be respected, and that the board be allowed to take that professional opinion along with the historical perspective – and the possibility for other opinions - to make their decisions, including how we will interact with our neighbors.

Maggie stated, David reiterated, Joe summarized that the budget has funds for fence maintenance and being responsible neighbors we will continue to patch the fence. Discussion was tabled for disparate perspectives, not resolvable at this time, and further investigation.

F. Items from A3 above

None.

G. Executive Session

The Board went into Executive Session to discuss delinquent accounts, per Paragraph 5, section f (Any other matter of which disclosure would constitute an unwarranted invasion of individual privacy).

Coming out of Executive Session, there were no decisions or unusual actions, other than to follow the normal process of contacting those accounts, to be taken.

H. Adjourn

There being no further business, the meeting was adjourned. The next regular meeting is scheduled for Tuesday, November 17th, 6:30pm at the Lange's residence (30 Forest Hill Road). The December meeting is scheduled for December 15th.

Signed by secretary, Maggie Guscott

Attachment – REPORTS ON INSURANCE October 20, 2015

Re: Commercial Package
Carrier: Liberty Mutual
Policy Period: July 15, 2015 to July 15, 2016
Policy Number 55 52 1 195
Annual Premium: \$2,281
Covers property and general liability, includes 4% inflation guard

In coming weeks, I will review with our agent the exact properties covered along with contents. The buildings will be photographed for future reference. Questions that I have are the data security endorsement, including breach of confidentiality, need for additional insured (USDA); the fire truck – who owns, who insures, rental agreement if the truck is owned by the fire district and housed on our premises.

I encourage the board to add insurance review on an annual basis so that all board members are aware of coverage and to be sure that values are adequate for meeting our 90% insurance requirement along with any acquisitions during the policy period. With this renewal, for example, there were several changes, including increases in coverage that are important to our exposures.

When a review of this coverage is completed, I will report back with more information. My target date for completion is December 1, 2015.

Submitted by: Mary Beth Davis

Re: Directors & Officers Liability Insurance
Carrier: Atain Insurance (Farmington, MI)
Policy Period: October 26, 2015 to October 26, 2016
Policy Number: CIP 269655
Annual Premium: \$1,650
Coverage: \$1M (matches expiring coverage) with \$500 retention

It is important to note that we have full prior acts coverage, except for any revisiting of the claim that was settled in 2015. This claim and subsequent settlement were disclosed on the application dated 9/28/15.

By having prior acts coverage, the Association did not have to purchase tail for our prior coverage. The estimated cost of tail can be as much as 120% of the expiring premium.

I recommend that this coverage be reviewed annually, ninety days prior to expiration.

Submitted by: Mary Beth Davis