

OWNERS' ASSOCIATION OF ELK MEADOWS ESTATES

Annual Meeting Minutes

July 9, 2016

I. OPENING

A. Roll Call and Introductions: Joe Lange (lot 215), president, called the meeting to order at 9:00am at the Ridgway Community Center.

Guests: Murray Bain (Summit HOA Services, president), Gail Callahan (EMHOA accountant)

Attendance: Per sign-in and proxy sheets (hardcopies on file).

Parliamentarian: MaryBeth Davis (lot 26).

B. Shares represented: 29 lots were represented in person, 35 by proxy. By Article 2, Section 7 of the Bylaws, this represented a quorum.

C. Open Forum:

1. *Driving and dust control:* Jim Wing (lot 103) made a plea for speed – and dust - control through the development. Discussion included ways to enforce speed limits and the planned pilot project to test the effectiveness of speed bumps at two locations along Aspen Drive in the vicinity of Forest Hill Road. In answer to members' questions, mag. chloride has been looked into in the past and chip seal was found to be very expensive.

2. Jim Stephenson (lot 126) alerted the membership to a meeting on July 19th on the subject of *building on mining claims*.

D. Call for ballot counters: Susan Wing (lot 103), Kathy Pettengill (lot 404), Chris Brown (lot 425), and Pam DePena (lot 407) volunteered.

E. Minutes of 2015 annual meeting:

Motion to approve: Maggie Guscott (lot 305); seconded: Ceann Ingram (lot 301); all approved.

F. Treasurer's report *was accepted as presented*.

Maggie Guscott summarized the financial health of the development in terms of

1. Comparison of 2015 to 2014 as follows:

i. 2015 income and reserves were slightly ahead of 2014, with income ahead of budget (due mainly to unpredictable items such as title transfers and finance charges) and reserves slightly increased except for sewer reserves, applied for the September pump-out;

ii. Past due accounts were on a par with 2014, at about 5% of the association and an amount to \$8K (rather than \$8.5K in 2014), and mainly comprised of 3 properties; all delinquent accounts being worked according to approved process.

iii. Main expenses in 2015 were sewer pump-out (\$19.7K, way over budget), roads (\$19K, on budget), and snow removal (\$10K, over budget).

iv. Relative to the 2013 assessment, while in 2013 and 2014 the association had slight excess of funds, in 2015 it was again in the red.

2. So far in 2016:

i. Income is on schedule, slightly below budget;

- ii. Expenses: Sewer pump-out is anticipated in September, per recommendation; road maintenance is expected to be on or slightly above budget; snow removal will probably be on or above budget.
 - iii. Our vulnerability is in terms of Capital Replacement Funds: As the water and sewer plants age, funds for replacement of same, in whole or in part, need to be built at a pace exceeding what we are now doing.
3. Projections for 2017:
- i. Funding for new projects based on results of today's propositions will need to be written into the budget;
 - ii. Capital replacement fund planning needs to be addresses.

Gail Callahan advised the membership that the email billing is still a problem, that she is communicating with members when their bills are incorrect, and invited members to contact her with questions.

Questions from the floor:

- 1. In response to the question as to whether the association can put more towards the payment of principal on the USDA loan, Kala Rachilla (lot 506) investigate;
- 2. Peter Rowland (lot 438) asked about accounting for weed control costs in 2015.

II. STANDING COMMITTEE REPORTS

- A. President's Report.** Joe Lange commended highly a number of individuals in the association for their work during the past year, including:
- a. Guy Poulin, 1st Vice President, for managing the maintenance and constant improvement of our roads, and continuing to do so after his board term is up;
 - b. Maggie Guscott for her work first as Secretary and then as Treasurer, and for helping get things done;
 - c. Mary Beth Davis and Peter Rowland on the Conservation Committee, who have planned, overseen, and labored on a number of issues including weed control, bark beetle control, fence maintenance, and dark skies;
 - d. David Mullings, 2nd Vice President, along with Helen Bowers, Tim Beene, and Bill Chipley, who have served on the Solar Committee which is presenting a ballot initiative in this meeting;
 - e. DianeThompson, who, in addition to her duties as Secretary, and with Lonnie White have provided the labor on thinning small Ponderosa Pine trees along our roadways;
 - f. Helen, who has done most of the early work on the Solar Project and has helped with tree management and fence issues;
 - g. Walt Atwood and Baird Brown who have overseen the Governance Committee initiative to bring our documents into compliance with Colorado Law and into the 21st Century. The committee will be presenting a ballot initiative in this meeting;
 - h. Tim Beene, who, in addition to his work on the Solar Committee, has been our point man on waste water treatment plant maintenance and weed control;
 - i. Jim Hayford who maintains our drinking water treatment system and performs most of the maintenance projects needed by the Community;

- j. Pam DePena who expertly maintains and updates our website and also creates the Directory of contact information for Elk Meadows. A new Directory has just been e-mailed to all owners; and
- k. Laurie Sweetman, who, as our Newsletter Editor, has done an admirable job of helping to keep the Community informed.

He noted one negative this year which will be discussed as part of the second proposition.

David Mullings thanked Joe for his efforts during this year, which the community endorsed.

B. Budget/Finance/Reserve. Covered above.

C. Water/Sewer. Tim Beene (lot 128) reported that:

- i. The *water system* seems to be in good working order.
- ii. The *sewer system* had several items of note: (a) A third manhole was designed into the system and is now being cut in the top of the septic tank to allow better access to that part of the tank. *Roto Rooter* is the contractor. The cost will be about \$500 which we approved. Tim Beene will oversee; (b) Bill Hamann (lot 25) has offered to assist in the maintenance and service of our septic system, which we will discuss at the 8/9 BOD Meeting. Tim Beene and Dan Bartashius will coordinate with Bill H.; (c) Limited pumping of the septic tank and removal of solids from the tank is planned for September.

D. Roads/Fence/Greenbelt. Covered in other meetings. Peter Rowland expressed our appreciation for Guy's work as 1st vice president as well as roads.

E. Conservation. MaryBeth Davis reported as follows:

- a. A review of the success of *conservation project* in terms of
 - i. *Tree treatment project* in terms of increased participation and reception of the new-this-year *lot census program*;
 - ii. *Weed removal/readication*, noting education on same via our various avenues of communication, and pulling weeds by hand through volunteers;
- b. Advice to homeowners about signing up, if they wish, for a new *chipping service* which is available free in Elk Meadows on August 15th.
- c. A general *call for volunteers* on all aspects of the conservation program.

Peter Rowland (lot 438) talked about:

- a. *Trash* at the sewer plant, which can be claimed by members, or put on *Craig's List*, or, with the help of Mike Cammack, passed on to *Recla Metals*. He also helped with cleaning up.
- b. *Dark Skies initiative*: He summarized regulations about outside lights (40 watts max) and exceptions such as flood lights for entering one's house. Also discussed was how to handle offending neighbors. He then asked for, and got community support for following the "dark skies" ruling.
- c. *Noxious weeds*: He highlighted the impact, and method of removal of the major noxious weeds in our community, reminding the audience that, as a result of it being state law, we all need to remove such weeds. He stated that *Pest Away* advised spot spraying, and he talked about equipment to enable doing so. He asked for, and got community support for everyone working to remove weeds.

III. OLD BUSINESS

None

IV. NEW BUSINESS

A. Governance Document Revisions proposition

- a. Murray Bain, president of Summit HOA Services, discussed the value of community and the difficulty of managing an HOA without good policies and enforcement. He emphasized the duties of a board of directors as responsible for acting in the greater interest of the membership to protect, maintain, and enhance an association. He discussed the need to revamp our governance documents to enable effective management and enforcement, adding that choosing to go under CCIOA (a) protects an association from a run-away board, while also (b) ensuring transparency and board accountability.
- b. In answer to Belinda Chisholm (lot 10)'s question regarding timeframe, Murray advised that it should take about 6 months, the goal being to streamline the process and address the Declaration first, as the primary challenge.
- c. In answer to Rene Dhenin's (lot 416) question about just cleaning up our existing documents, Murray said that this would be more time consuming and expensive because of omissions and contradictions that aren't in line with state regulations and that require more time to cross reference, find and correct.
- d. Other comments from the floor included necessary disclosure to a buyer about the state of our documents, and there being no teeth to enforce the rules we have.

B. Attorney Fee for Dispute proposition

- a. Joe Lange and Baird Brown (lot 425) took questions from the floor about the reason and expected impact of this proposition. They explained the board's desire to clear up complaints quickly, to delegate to an attorney to handle discussion (noting that is part of the cost of doing business in this litigious world), and the hope that the dispute will be withdrawn. They advised a special assessment (of \$24 per lot, to be included in 2017 dues) to make available funding for such expenses if necessary.
- b. Bob Sprentall expressed the hope that their dispute issues (which are a continuation of discussion of not being in compliance with CCIOA) will be resolved through discussion with the board.

C. Solar project proposition

- a. David Mullings made a PowerPoint presentation (available on request) to explain the details of the project, estimated costs, financing, and expected return on investment. With the Solar committee, he took questions from the floor related to construction, panel power production versus power requirements, and how credits are accounted for.
- b. MaryBeth Davis read a letter from John Penca commending the committee and raising questions about support for our 24/7 community service, and availability of data on sunlight hours versus power requirements, recommending delay of the project for more data.

D. New Officers

- i. There being no nominated candidates, Joe called for nominations from the floor.
 - a. Peter Rowland responded, invited the membership to define the role of vice president in more detail than exists, and spoke about the reasons to, and not to vote for him, but then declined the nomination for 1st vice president stating that he does not want to run under threat of disputes and law suits. Mike Cammack (lot 503) accepted the nomination for 1st vice president.
 - b. Diane Thompson declined to run for the secretarial position citing that she felt that the threat of disputes is too stressful.
Motion to approve by acclamation Mike Cammack as 1st vice president: Joe Lange; all approved.
- ii. Election.
- iii. *Results from voting:*
Governance Document Revisions project: Yes (49); No (25)
Attorney Fee for Dispute proposition: Yes (46); No (28)
Solar project: Yes (57); No (16).

The 2016/2017 Board of Directors is as follows:

- President – Joe Lange (completing a term ending in July 2017)
- 1st Vice President – Mike Cammack (elected for a term ending in July 2018)
- 2nd Vice President – David Mullings (completing a term ending in July 2017)
- Treasurer – Maggie Guscott (completing a term ending in July 2017)
- Secretary – open until a replacement is found.

V. ANNOUNCEMENTS
None

VI. ADJOURNMENT

Motion to approve adjournment (2:30pm): by affirmation.

Respectfully submitted;
Maggie Guscott, Treasurer, 7/25/16