

Owners' Association of Elk Meadows Estates, Inc.

ANNUAL MEETING MINUTES

June 24, 2017

I. OPENING

- A. Roll call and introductions
- B. Number of shares represented is 37 (21 lots represented plus 19 proxies), which is not a quorum. According to our current documents we need 50% of shares (65) represented in order to conduct business so we cannot vote. However, we will give a status report as required.
- C. Open Forum
 - 1. Peter Rowland publicly thanked and honored Maggie for the fine work she's been doing for us.
 - 2. Walt Atwood: There is a Road & Bridge meeting coming up on July 14 (I believe). Mike Blotter, 970-596-0445 lives on CR5 has been trying to get action made on CR5 for many years. He wants to get people together to discuss the state of CR5. One idea is to create a special road district to take ownership of CR5. At the least, get as many people as possible to attend the R&B meeting on July 14. Perhaps we can organize an EM group to support Mike. At a minimum we want to get as many people as possible to attend the Road & Bridge meeting. You can also call Road & Bridge at 970-626-9775.
- D. Call for ballot counters not needed because we don't have a quorum
- E. Approve minutes of 2016 Annual Meeting cannot be done because we don't have a quorum
- F. Treasurer's report: Maggie Guscott

End of 2016 (hand-outs provided) dues income is on par with 2015. Total income looks up in 2016 because of tap fees for water and sewer paid. Income is uneven because dues are paid at different intervals: monthly, semi-annually, and annually. There are also extra things like financial charges, interest income, title transfer fees.

Past-due accounts are about the same, about 6% of the association and amounting to \$7,000-\$8,000. People do pay eventually.

Accounting fees are down. Insurance is up less than \$500. Legal fees are up as we predicted (special assessment), management fees up (Governing Docs project).

Materials/maintenance is on par with where we should be.

Landscaping (tree treatment) is a little down because it's our second year.

Roads up about \$3000 for right now but should even out by the end of the year. We usually spend \$24,000-\$25,000 per year for gravel, grading, and snow plowing.

Water system testing is up about \$1,000 due to the requirement to meet standards.

We have a net income at the end of 2016. Covenants say we must return excess to the community or we can put excess into the reserve fund. We will incorporate or excess funds into the reserve funds; working with Murray on that.

Our capital replacement/reserve funds are a weakness right now. We are working on it with Murray Bain.

Murray: Every well-funded HOA that is operating according to budget ends up with surplus at the end of the year. We can hold "reasonable" funds to handle unforeseen circumstances. It's good to put excess funds into the reserve fund.

Question from the floor: Will we have additional legal this year? Maggie: A special assessment for that is not expected.

Question from the floor: How is our reserve fund? Maggie: A bit of each dues payment goes to our reserve fund and this grows slowly each year. Murray: We are in discussions now as to the amount we should have in our reserve fund.

II. STANDING COMMITTEE REPORTS

A. President's report (See attached statement)

B. Budget/Finance/Reserve (Covered above)

C. Water/Sewer

Joe: From Dan Barteshius and Jim Hayford, the water system and waste water systems are working properly. We have no leaks due to new piping put in eight years ago. We have a 5:1 ratio of water we have to water we use. State has tested the water quality and it is good.

D. Roads

Grading

Mike: Dan Choate dumped 15 loads of gravel and graded. To save money, Mike chose some roads that did not need grading. Alpine should have been done. Spruce was fine. We are awaiting temporary speed bumps.

Speed bumps

From the floor: How many speed bumps are we ordering? How much did they cost? Can individuals put up their own speed bumps? Mike: Two bumps, about \$1400. Murray: Residents must get HOA approval to put things on HOA property. Speed bumps are a concern. 1) They slow down emergency services, which could mean dire consequences for people at the end of the road and damages to emergency equipment. 2) Ironic, but there have been cases of people suing because they went over speed bumps too fast and damaged their vehicle. 3) The county always has some say and they always say No to speed bumps. Murray is personally against speed bumps in HOAs because of the problems they cause.

Pam: Two board members were not able to review the community comments before the vote at the last board meeting. We will review the speed issue again at the next board meeting.

Joe: It was a financial decision to buy two speed bumps this year and we can buy more in later years. There are three or more other places where we need to slow people down but we can't afford that many this year.

Ideas from the floor for controlling speed (and concerns)

- Offset the speed bumps so you can go around them or over them.
- Use signs we can move around
- Crested Butte put speed limit signs right in the middle of the road (Could delay emergency vehicles)
- Water bars (inverse speed bumps) (High cost. May slow emergency vehicles)
- Lowering the speed limit (People don't obey the current one so they won't obey a lower one)
- Install more than two speed bumps. (We can't afford more this year. Many people object to speed bumps.)
- Ask delivery people to slow down. (This works for a few days.)
- Unusual signs: Instead of "Slow down," try "Elephant Crossing".

Joe: In summary: We all want to slow people down and control dust. We're open to whatever works.

Other issues

What about road damage for people building homes? Joe: It's a deposit.

Peter: Mike and Peter are going to develop a comprehensive sign plan. He encourages people to slow down to 5 MPH when passing people on the road. Signs do help but there are still problems. We also need to work with the county on warnings that the speed limit goes down beyond CR 5A.

There are strangers coming in looking for public access and turn around. We need a plan for that.

E. Conservation: Peter Rowland

Beetle Project

It would be nice to have more people participate. We had about 25-30 participants and treated hundreds of trees. We will rely on the expertise of the forester on how long we continue.

Weeds

Yellow thistle is being weeded out in new places. Great success on Mullein. If you see rosettes, dig them up. If you need help, call Peter. Replace oxeye daisies with Shasta. Pull cheat grass now. Fire goes through cheat grass at 60 MPH with no wind.

Fire

We are going to start working on a fire program. A lot of people are not doing standard fire mitigation to protect their homes.

F. Governing documents: Walt Atwood, Murray Bain

Walt: Revised documents are on the website. Please send in your comments. We are going to publish the feedback probably weekly. Community input is important so that the documents reflect our preferences. We have four topics of special interest at this time. We will have another town meeting. We need 67% to pass the new documents.

Murray: When you look at the documents keep in mind that these documents set the initial framework. We want it to be broad enough so that rules and policies can be made outside the declarations and changed as needed.

Some of the items in the declarations are required by law. Anything that imposes on property rights and/or creates an assessment must be in the declarations. Our job is to figure out how to massage the language so that it suits the legal requirements and also leaves the association the freedom to operate outside of them. Without controls, the HOA is not involved and neighbors have to fight it out – technically this is our current situation.

The board has to go out to the community for comment. It can't just go out and do stuff on its own. The board must act in the best interest of the community.

Sewer fees

This will require some compromise. Since we were required to put in the systems, it is reasonable for all of us to share in the costs. However it's a bit unfair for people who are not connected to be paying for the processing of the waste, just as it would be unfair for people who are on the waste treatment system to pay for the individual septic systems of the people who cannot connect. There can be arguments on both sides. We need to decide what is best for the association. We need to put some language about it in the declarations because it is creating an assessment.

From the floor: I want to stay together as a community. Example: I'm not here in the winter so why should I pay for snow removal? There's no speed bump in front of my house so why should I pay for them? Let's not think that way.

Murray: Suggestion: If possible, the whole community pays for the structure, and if the costs can be broken out, only those who are connected will pay for usage.

Architectural control

These impose on property rights so must be in the declarations. We don't have to have an Architectural Review Committee (ARC) or architectural standards. However, if you keep deferring to the county, with no ARC or application process, you lose your ability to have controls in the community. We need to create some basic, loose standards. This allows us to have standards or guidelines outside of the declarations. This allows you to later add rules. Example: if you see more and more people painting their houses hot pink, you can add a rule to prevent more hot pink houses. You can't make a rule that automatically puts someone out of compliance, so you give the people who already have pink houses a variance with conditions. "Next time you paint your house you have to ..."

Structures

If you allow an existing structure, think of whether you want one like that right next to you. Would you mind many of those structures in the neighborhood? Provide in declarations that you have to apply to put in a new structure so that the ARC can control the development of the neighborhood. Suggestion: Create the basic language that requires us to have applications and/or board/ARC approval. And then the board can be as strict or as loose as they want based on community input. If we don't have anything, then we've lost any opportunity to police this in the future if we need to.

From the Floor: All we need to do is establish an ARC and we don't have to do anything further. Right?

Murray: We can have some very basic stuff in the declarations and the board can refine it later and change it much more easily.

Animals

We have to have some basic stuff in the declarations. Suggestion: add “other animals” to regular household pets and let the board determine what’s allowed, and restrictions as necessary. You want all of these specifics outside the declarations and made with community input.

Fences

If the HOA maintains the fences we have to patrol them. If they get breached then the liability is on the HOA. We need agreements with neighboring ranches to maintain fences them because we’ll be on their property to make repairs.

III. OLD BUSINESS

None

IV. NEW BUSINESS

Election of new directors

Because we do not have a quorum today, we cannot vote on new board members.

Murray Bain: This is how we proceed: if board members whose terms are up resign, the remaining board members can appoint new members to fill those positions. The appointed members will remain in place until an election can be held. If board members whose terms are up do not resign, they remain in place until an election can be held.

Question from the floor: Can we have an election by mail-in ballot or do we have to meet again in person? Murray will review the current bylaws in conjunction with the Nonprofit Corporation Act to see if this is possible.

There are three board members whose terms are up: Joe Lange, David Mullings, and Maggie Guscott. Pam’s term is not up for re-election so she will remain on the board until her term is up at the next annual meeting.

Joe and David resigned as of the conclusion of this meeting. Maggie did not resign.

A board meeting will be held after this annual meeting for the remaining board members: Maggie, Mike, and Pam, can appoint new members.

Murray: To clarify: An election at an annual meeting only elects *directors*. The officers: President, Vice President, Secretary, Treasurer, are elected among the board. This is the rule according to the Nonprofit Corporation Act.

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT