

SODA SPRINGS RANCH - FILING II
Homeowners' Association
MINUTES OF ANNUAL HOMEOWNERS' MEETING
Soda Springs Ranch Restaurant Building
September 16, 2006

Board Members Present: Bob Costello, Kurt Ostrow, Jack Stout, Gary Windsor, Mark Lewis, Mark Baxley, Rich Olivo, and Tom Evon

Also Attending: J. C. Cavalera, Manager; Regina Fowler, Management Office, Mark Krieg, Accountant; Gerry Johnston, "Rancher" Editor; and Tim Day, Day & Associates

Board Members Absent: Jean Hecht

Call to Order and Proof of Meeting: Bob Costello, Interim Board President, declared that a quorum of owners was present, and called the meeting to order at 9:04 AM. Bob announced that 74 units were represented by owners in attendance or by proxy. Packets of financial statements and informational reports were mailed to each owner well in advance of the meeting, and the meeting date had been announced in our "Rancher" newsletter.

Approval of Minutes: Minutes of Annual Homeowners' Meeting, from last year's Annual Homeowners' Meeting held on September 17, 2005 were presented for approval. **A motion was made and seconded from the floor that the minutes be approved as amended. Motion passed.**

Financial Report: Bob Costello introduced Tim Day of Day & Associates, to review the report of audited financial statements for the fiscal year ended June 30, 2006. Bob commented that Tim has supervised our annual audit since 1992. Tim stated that our fiscal year ending financial statements had been audited by his firm, and that the statements were accurate, and consistent with prior years' procedures and accepted accounting practice and principles. Tim re-stated his opinion from the audit letter that the annual financial report fairly stated the financial condition of our association.

Tim commented that audited statements cover the operation of 9 tracts of condominium units, plus the SSR garages and the Athletic Club. Tim explained that our accounting is set up on a tract basis, with each tract being responsible for income and expenses related to that tract. Tim referred to the Balance Sheet shown on Page 2 of the Annual Financial Statements, and stated that the cash balance of our Operating Fund is \$29,254, which is adequate. The Replacement Reserve Fund has a cash balance of \$92,773, and the strength of that balance must be evaluated against predicted costs of ongoing maintenance of our buildings and amenities. Tim referred to the Statement of Revenues and Expenses shown on Page 3, and stated that the Operating Fund deficit of \$7,171 is within normal range, and that the deficit of \$21,413 in the R&R Fund must be evaluated based upon planned future expenditures.

Tim referred to Pages 11 through 14 of the report, that detail financial results broken down by tract for the Operating Fund and the R&R Fund. Tim stated that it's important to note that all tracts are solvent with positive Operating Fund balances, and are able to perform necessary maintenance and repairs. Regarding the R&R Fund information shown on Pages 13 & 14, Tim pointed out that Meadow View has a small negative fund balance on the Balance Sheet of \$437, and that all tracts are solvent with positive fund balances on the Schedule of Tract Revenues, Expenses, and Fund Balances. Tim stressed that the reports on Pages 11 through 14 are key in determining the financial health of Filing II.

Tim asked if there were any questions from the floor, and there were none. Bob Costello commented that our snow removal budget for fiscal 2005-2006 was approximately \$13,000, but that the actual total cost exceeded \$28,000. Bob stated that the snow removal budget for the current fiscal year is approximately \$18,000.

President's Remarks: Bob Costello reported that, in compliance with new state legislation SB5-100 and SB6-089, eight new policy and procedure statements have been approved by the Board. Copies of the new statements will be sent out to all owners, and posted on our website. A recent Bylaw Amendment and Declaration Amendment, both regarding compliance with the above stated new legislation, have been approved by the Board and will be posted on our website. The Declaration Amendment refers to the placement of political campaign signs, now permitted for 45 days prior to an election and for 7 days afterward. Signs must be placed on the exterior of buildings or decks, not in open space. Our Declaration requires that amendments be approved by vote of the owners, except in cases that are administrative in nature, such as with the amendment referred to above. The amendment was required to conform to current state law.

Bob commented that our HOA for Filing II has 120 units. Filing I has its own HOA, and does not have use of our Athletic Club. Filing I pays Filing II \$750 per quarter for the use of our trash compactor.

Bob further stated that we have recently installed new mailboxes for Filings I, II, and III, and that 20 boxes have been designated for owners in adjacent communities. So far, 3 boxes for adjacent owners have been assigned.

GLFPD Presentation: Steve Waldorf from the Grand Lake Fire Protection District gave a report regarding current fire protection concerns. Steve complimented our HOA for its efforts to remove dead trees and dispose of ground refuse or "ladder fuel". Steve further commented that the GLFPD believes it is not a matter of "if" we will have a major wildfire in beetle kill forests, but "when". He suggested that every homeowner develop an evacuation plan that would include plans for where family members are to meet after evacuation.

GLFPD has developed a wildfire plan in cooperation with the U.S. Forest Service and the Park Service. The plan is currently awaiting signatures from the cooperating agen-

cies, but is available for public review at the Grand Lake firehouse. Steve commented that in the event of a wildfire, instructions would be given to the public by reverse 911 calls to land line phones, and through local TV and radio broadcasts. Steve also stated that the wildfire plan is focused on protecting structures, with the most easily protected buildings receiving higher priority. Forest areas will be allowed to burn within control, to reduce the future risk of excessive ground fuel.

Steve suggested that all trees be trimmed up to 15 feet to minimize ladder fuel. Generally, we should observe a 30 foot clear cut perimeter around our buildings, using common sense in choosing trees to remain in the clear cut areas. Question from the floor: Who should absent owners contract regarding re-entry into a fire area to retrieve personal property? Answer: Contact either the GLFPD or the County Sheriff's office. Comment from the floor: Police scanners can be used to monitor communications during a fire, if repeater towers remain in place.

Steve closed his report by congratulating our HOA for doing a good job on fire mitigation, and asked us to "keep it up".

Manager's Report: Jean Claude Cavalera welcomed new owners to our HOA, and thanked everyone for their cooperation during the past year. J. C. commented that Caroline's Restaurant and Filing II are mutually beneficial to our community, and encouraged owners to take advantage of the resident 10% discount at the restaurant. J. C. requested that everyone comply with the trash compactor rules of use, and help by using appropriate recycling containers. J. C. also stressed the importance of turning off water when units are not in use during winter months, and maintaining a reliable heat setting of at least 55 degrees. J. C. also commented that HBO is now available on Channel 99, and that all are welcome to use the free WIFI internet service available in the restaurant and management office.

Introduction of Board Members: Bob Costello introduced Board members present, and explained that the Board now consists of one Board member per tract, plus one at-large Board member.

Pet amendment: A proposed amendment to our Declaration, regarding a change allowing two pets per unit rather than one, was included in the packets mailed to all home owners. There was brief discussion, and Bob commented that we had experienced occasional difficulty in selling SSR units, because of the one pet rule. Bob Costello explained that there were written ballots available if more than 20% of members in attendance requested them. Only 5 of the 74 owners requested written ballots, so a hand vote was conducted. **The motion to approve the proposed change to our Declaration, allowing two pets per unit, was approved by a vote of 70 to 4.** Comment from the floor: Many owners ignore the SSR and County leash law requirements, and also do not pick up after their pets. There was consensus discussion that observing the leash law and picking up after pets were important for the benefit of all. It was agreed that an article in "The Rancher" would bring this matter to owners' attention.

Election of Board Members: Bob Costello explained that new SB100 rules require that we must use a written ballot whenever more than one candidate is seeking election to a Board position. Non-contested nominations for new 3-year terms included Mark Baxley for Court Club, Tom Evon for Tennis Cottages, Rich Olivo for Meadows, and Gary Trujillo for Ranch Club. **Motion was made and seconded from the floor that all non-contested nominations be approved. Motion passed.**

Nominations for the At-large Board member for a one-year term included Gerry Johnston and Gene Peteranetz. Successive terms will be for three years. Written ballots were called for, and the initial vote was a tie, with 5 votes being cast improperly because both candidates were selected on the ballots. **A re-vote was conducted, and Gerry Johnston was declared the winner.** Gerry will be the only woman on the Board.

Board Committee Reports:

Board Management: Bob Costello reported that we are on schedule in the implementation of the new legislative requirements for HOAs. Eight procedure statements have been completed, as well as Bylaw and Declaration amendments needed to bring our existing documentation into full compliance. The new documentation will be available on our website in the next few weeks.

Bob commented that we are attempting to secure insurance for the upcoming year that will have a \$5,000 deductible provision, rather than the current \$10,000 provision.

Question for the floor: How many units are not paying their quarterly dues? Answer: Two Tennis Cottage units, one that is currently for sale at \$69,000, and another that is presently owned by HUD. In both cases, delinquent dues will be received eventually. Bob commented that delinquent reminder letters go out 75 days after the billing date, advising home owners of penalties for delinquency. These notifications have been highly effective.

Financial: No further report.

Property Management: J. C. Cavalera again stressed the importance of providing proper heat to the units during the winter months. All documentation required by new Colorado Real Estate Commission contract language is now available from the HOA link on our website at <http://www.sodaspringsranch.com> .

Athletic Club Operation and Management: Gary Windsor introduced Adam Papuga, a Soda Creek home owner who has been very involved in maintaining our swimming pool. Gary stated that water leakage from the pool has been excessive, and that a new pool design should be considered. Gary further reported that a roof covering for the new hot tub will be considered when funds permit, and that resurfacing of the tennis courts is being investigated. We have approved the purchase of a second treadmill, and will buy it at auction when the proper used equipment can be located.

Bob Costello commented that the Athletic Club does not currently have funds for new projects. Any significant new expenditure would have to be funded by special assessment. There was consensus discussion that the Athletic Club was an important community amenity, and should be properly maintained. Gary Windsor commented that we could consider taking out a bank loan so that special assessment payments could be spread out over time.

Rules and Regulations: Kurt Ostrow reported that unauthorized trailer parking continues to be a major problem. Only two standard sized vehicles may be parked in front of each unit. In many cases, fire lanes are blocked by offending vehicles. Kurt pointed out that we have an overnight parking facility next to the restaurant to accommodate trailers. Question from the floor: Who should we call if we see a violation? Answer: Call the management office.

Maintenance and Architectural Control: Gary Windsor reported that damage from frozen pipes has been a serious problem for home owners over the past winter. Absent owners should always drain the plumbing in their units after each visit during the winter months.

The new survey of SSR has been approved by the County, thus allowing permits to be considered for desired building additions. Any building addition that encroaches on open space must have County approval, and will be subject to the availability of excess open space. Grand County requires at least 60% of our community land to be preserved as open space. Based on the new survey, we currently have 70% of our land configured as open space, and 30% covered by structures. Home owners must get Board approval for any exterior change or addition. Management staff can approve changes or additions for which similar requests have been previously approved by the Board.

Gary recommended that owners consider replacing existing decking with Trex. Current policy is that the tract will pay for deck repair labor, and the owners are to pay for the Trex materials. The cost of Trex is approximately \$4.00 per SF. All repair work is subject to the approval of the Tract Board member, so that availability of funds can be verified.

Gary further commented that tree spraying for beetle protection will be scheduled earlier in the spring, per U.S. Forest Service recommendation.

Master Water Association: Gary Windsor reported that he is president of the MWA, and that Regina Fowler is an active representative from Filing III. Filing I is supposed to participate, but has not sent a representative to the meetings. Rich Olivo is the only paid employee of the MWA. Gary stated that MWA water is tested regularly, and meets or exceeds required quality. Until recently, we had only one well serving 171 homes. We now have two wells. The new well tests at 7 ppm fluoride level, while the maximum allowable is 4 ppm. We are able to mix water from the two wells to obtain a fluoride level

below 4 ppm. Gary also stated that a new lift station will soon be installed to increase water pressure to Filing III, and provide adequate pressure for new taps. The MWA is also responsible for maintenance of our ponds.

Rich Olivo reported that our water is tested weekly, and reports are sent to the State agency as required. Alkalinity tests neutral at 7.0 to 7.1. Current system output is 35 GPM for one well, and 56 GPM with both wells on line. Critical spare parts are kept in on-site inventory. Question from the floor: What about lawn watering in Filing III? Answer: Filing III has been notified that lawn watering is a violation subject to fine, and the problem has been mostly resolved.

Rich and Gary further reported that we recently had an audit of MWA financial reporting, and passed with flying colors. Question for the floor: Can we handle new tap demand in adjacent subdivisions? Answer: Yes, especially with the new lift station.

Unfinished Business: None

New Business: Bob Costello introduced Don McCrimmon, and thanked him for his nine years of dedicated service to the Board as president. Bob further commented that our rules permit non-Board members to serve on Board committees, as long as a Board member chairs the committee. Active home owners such as Carol Windsor and Adam Papuga will be encouraged to participate.

Adjournment: Motion was made from the floor that the meeting be adjourned. Motion passed unanimously. Bob Costello adjourned the meeting at 11:20 AM.

Respectfully submitted,

Mark A. Baxley, Board Secretary

Approved by Board Members _____:
Date

_____ Robert Costello	_____ Kurt Ostrow	_____ Gary Trujillo
_____ Gerry Johnston	_____ Jack Stout	_____ Rich Olivo
_____ Gary Windsor	_____ Mark Lewis	_____ Tom Evon