

SODA SPRINGS RANCH - FILING II
Homeowners' Association
MINUTES OF BOARD MEETING
Soda Springs Ranch Restaurant Building
March 17, 2007

Present: Bob Costello, Kurt Ostrow, Mark Baxley, Tom Evon, Gary Windsor, Gary Trujillo, Gerry Johnston, Rich Olivo, and Jack Stout

Also Attending: J. C. Cavalera, Manager; Mark Krieg, Accounting Representative

Absent: Mark Lewis

Call to Order: Mark Baxley, Board President, called the meeting to order at 9:05 AM.

Approval of Minutes: Minutes from the November 18, 2006 and January 20, 2007 Board Meetings were presented for review. Kurt Ostrow proposed that the section in the January 20th Minutes regarding pool replacement be amended to state that the estimated cost of installing a new fiberglass pool would be \$75,000 to \$100,000. **Motion was made by Tom Evon, seconded by Rich Olivo, that the Minutes for the November 18, 2006 meeting be approved as written, and that the Minutes for the January 20, 2007 meeting be approved as amended. Motion passed.** Signed copies of the Minutes for both meetings were given to J. C. Cavalera for filing in the management office.

Committee of the Whole – Athletic Club Improvements:

Swimming Pool: J. C. Cavalera reported on his discussions with American Pool regarding examination of our swimming pool for leakage and replacement of the vinyl pool liner. American Pool has recommended that we install a 30 MM liner to improve service life of the liner. The existing liner is 20 MM. The estimated cost of installing a new 30 MM liner is \$5,000 to \$6,000. Mark Baxley asked about the status of performing sonic testing for possible underground erosion. Consensus of discussion was that we should work with the pool contractor to examine the pool cavity once the old liner is removed, before deciding to perform additional testing. American Pool has pointed out that our leakage problem could be primarily a result of creases and cracks in the existing liner. **Motion was made by Bob Costello, seconded by Jack Stout, that J. C. be authorized to work with American Pool and other qualified vendors to order the examination of the pool cavity and installation of a new 30 MM liner. J. C. is instructed to work with members of the Athletic Club Committee to finalize contractor selection and define the scope of work. Motion passed.** There was discussion regarding the possible installation of a retractable pool cover. It was pointed out that a retractable cover may be a cost effective option, but that a cover would not be required by current county code unless a new pool were installed. There was also consensus that our hot

water boiler and other pool auxiliaries should be inspected by the pool contractor, regarding the possible need for repair or replacement.

Athletic Club Amenities: There was lengthy discussion regarding the need for a comprehensive plan for management of Athletic Club amenities. In general, there was strong consensus that amenities should not be retained if we are unable or unwilling to maintain them in good condition and repair. It was agreed that management of our amenities must include careful consideration of impact on our HOA dues, as both issues are important to the future of our community. Tom Evon suggested each Board member summarize their vision statement about the relative importance of existing amenities.

Swimming Pool and Hot Tub: There was consensus that these amenities were popular and important. The idea of installing an enclosure over the pool was discussed. Rich Olivo pointed out that maintenance problems and utility costs were higher for year around pool covers in the high country. There was no consensus in favor of this idea.

Tennis Courts: Opinions on the viability of the tennis courts were mixed. There was general agreement that spending \$18,000 every three years to resurface the tennis courts seemed excessive, considering the three months of annual usage. A majority of Board members felt that the tennis courts must not be left in their present condition, and that removal was the best option. It was also pointed out that one tennis court could be retained, thus cutting the maintenance cost in half. J. C. commented that the tennis court site(s) could be landscaped and replaced by a volley ball court and/or other low-maintenance facility(ies).

Exercise and Racquetball Facility: There was general agreement that year-around usage of the Athletic Club building was a significant advantage. There was discussion that the exercise equipment is difficult to maintain because of its age, and that newer and expanded equipment would be required to bring the facility to our desired standard. The racquetball courts are rarely used, and Gary Windsor's suggestion to install a floor over the courts and create a community room was favorably discussed.

It was decided that Mark Baxley's "Rancher" article should solicit response from owners regarding the future planning for amenities, and specifically the viability of the tennis courts.

Financial: Bob Costello passed out the Financial Report dated March 16, 2007 for the eight months ending February 28, 2007. Regarding the Balance Sheet by Tract, Bob pointed out on Page 2, that the negative fund balance of \$4,488 for the General Fund has been reduced from its high point of approximately \$20,000, as funds have become available to pay this down. Tennis Cottages is the only tract showing a negative fund balance at \$258. Regarding the Schedule of Tract Revenues, Expenses and Fund Balances, Bob reported that the year-to-date snow removal cost of \$13,363 shown on

Page 7 does not include an invoice of \$9,170 for February. The February invoice includes approximately \$4,200 just for trucking excess snow to available dumping areas.

Regarding the Athletic Club Balance Sheet, Bob commented that the Athletic Club has a cash balance of \$15,666, but still owes the Reserve and Replacement Fund \$5,108 for the hot tub installation, as indicated on Page 9. Regarding the Athletic Club Fund Balance Statement as of February 28, 2007 shown on Page 10, Bob stated that the \$14,224 balance of revenues in excess of expenses would be reduced when the loan to the R&R Fund is repaid. Storage Area income for the year totals \$5,275, and income from pool fees from the rental program totals \$881.

Regarding the Reserve Replacement Balance Sheet on Pages 11 & 12, Bob reported that neither Meadows or Meadow View have sufficient fund balances to authorize any Trex decking repairs at this time. The total Filing II fund balance shown on Page 12 is \$121,855. Regarding the Schedule of Tract Revenues, Expenses, and Fund Balances for the Reserve Replacement fund shown on Pages 13 through 16, Bob pointed out that \$12,442 has been spent year-to-date on Trex decking repairs. The year-to-date revenues in excess of expenses is \$33,487, as shown on Page 16.

Bob reported that the Comcast Cable cost will increase starting March 1st by 6%, or \$1.00 per unit per month. HBO is no longer being broadcast, as it was a temporary promotional feature by Comcast that was mistakenly retained for several months. Our cost for Comcast Cable is now approximately \$19 per unit per month, as compared to \$48 per household per month paid in Filing III.

Bob reported that Accounts Receivable Aging Summary, corrected to March 16, 2007, shows a total balance of \$3,699.19, the lowest balance ever recorded. Twenty-two delinquency letters were mailed to owners in mid-February.

Bob further reported that the audit proposal for the current fiscal year from Day & Associates has remained the same as last year, namely \$4,100 for the audit, and \$300 for filing federal and state tax returns. **Motion was made by Bob Costello, seconded by Jack Stout, that the Day & Associates audit proposal be accepted. Motion passed unanimously.**

Board Management: Kurt Ostrow expressed his opinion that our time spent discussing large dollar expenditures and future vision considerations was a proper allocation of Board meeting time, whereas Agenda time allocated for reports from each Board committee was often excessive. Kurt recommended that the Financial report be limited to brief bullet points, and that other Board committees should request agenda time by e-mail in advance of the meeting. The final agenda should not allocate time to committees not specifically requesting time. Mark Baxley expressed his opinion that the detailed Financial review was needed so that our minutes would properly convey the financial status of our HOA. Other Board members commented that the Financial report should be preserved as is. Mark Baxley suggested that the Financial report could include summary bullet points to assist the Secretary in preparing the minutes.

There was consensus that Kurt's proposed agenda protocol should be considered. Mark Baxley stated that the preliminary agenda e-mailed a week or so in advance of the Board meeting would include line items for each committee, but that committees, other than Financial, not responding with specific requests for time would not be included on the final agenda.

Property Management: J. C. Cavalera reported that the cause of the recent Court Club D building sewer blockage was a sag in the sewer branch line west of the building perimeter. J. C. stated that the repair would be scheduled in two weeks or so, as soon as the ground was sufficiently thawed for excavation. J. C. also reported that Filing II grounds litter would be picked up in a few days, as soon as snow melting exposed the litter.

The request to provide crawl space access from an adjacent Tennis Cottages crawl space was reviewed and rejected. County code requires that crawl space access be provided by floor access in each unit. Cutting an access opening through a concrete stem wall is neither cost effective nor structurally prudent.

Gary Windsor reported that we have received a proposal from Blue River Enterprise to spray 250 of our trees for a total cost of \$2,400. The spray substance would be oil based and non-toxic, and should last for approximately 180 days, until the beetles are dormant for the winter. **Motion was made by Gary Windsor, seconded by Kurt Ostrow, that the Blue Rive Enterprise proposal be accepted. Motion passed.**

J. C. reported that Filing II has experienced no water line breaks due to freezing, thus far this winter. We have required that all unit thermostats be set at 55 degrees.

Rich Olivo reported that we have had a dam break at our fire water pond. Rich has received a quote of \$1,700 for a new head gate, and he estimated that the cost of picking up the new gate in Ft. Collins would be approximately \$500. Rich estimated the total repair cost to be approximately \$3000. **Motion was made by Jack Stout, seconded by Bob Costello, that we proceed immediately with the necessary repairs. Motion passed.** There was brief discussion as to whether the dam repair should more logically be the responsibility of the Master Water Association, since the fire water pond benefits all SSR filings. No conclusion was reached.

Sewer Freeze Insurance Considerations: Bob Costello reported that our insurance policy provides for up to \$5,000 coverage for sewer backup, however only main sewer line blockages are covered. The recent Court Club blockage occurred in a branch line serving the D building, so no coverage is available. The cost to determine the cause of the backup was approximately \$375, and \$300 more was spent on cleanup. Bob stated that extended coverage for sewer backup should be included in each owner's supplementary policy.

Athletic Club: See the section on Pages 1 & 2 regarding Athletic Club Improvements.

Rules and Regulations: Rich Olivo commented that Bob Lang has agreed to serve on the Rules and Regulations Committee.

Maintenance and Architectural Control: Gary Windsor requested Board approval for the new owner of Court Club, C-1 to install a new window in the lower staircase landing on the south side of the building. Gary passed around a brochure showing window color selections, and it was agreed that the “Chestnut Bronze” color should be used. **Motion was made by Rich Olivo, seconded by Bob Costello, that the Court Club C-1 window installation request be approved. Motion passed.**

Motion was made by Mark Baxley that teepee snow diverters be installed on each Court Club unit, with the cost of approximately \$100 per unit being paid by the Court Club Reserve & Replacement account. Motion passed.

Motion was made by Gary Windsor, seconded by Rich Olivo, that the following language be approved as our policy regarding installation of new Trex decking: “It shall be the policy for Filing II that replacement of exterior decking shall utilize Trex material. All deck replacement projects shall be approved in writing by the Tract Representative prior to the start of work, to confirm availability of funds, and approve the material selection and scope of the work. The owner shall pay the material costs for decking replacement, and the tract Repair & Replacement fund will be charged for the labor costs. The labor costs charged to the tract R&R fund shall be limited to deck size and configuration typical of most original construction decks in the tract. Owners may utilize their own labor provided the contractor(s) are approved in advance by the Tract Representative for proper insurance coverage and experience. Reimbursement for owner furnished labor shall not exceed labor costs for similar jobs experienced by manager approved contractors.” **Motion passed.**

Tom Evon presented a proposal that the Tennis Cottages atriums be refurbished by Rent-a-Guy at a cost of \$1,350 per atrium, \$4,050 total. Repairs would include replacement of damaged decking and repair of damaged drywall. All decking and drywall surfaces would be refinished. All materials would be provided by SSR. **Motion was made by Tom Evon, seconded by Gary Windsor, to approve the Tennis Cottages atrium repair proposal. Motion passed.**

Master Water Association: Jack Stout reported on the status of previously discussed MWA procedural matters. Jack requested that Rich Olivo review the filing system with him. Jack also commented that the status of Filing III membership in the MWA has not been resolved. Rich reported that he had sent a letter to all Filing III owners detailing membership requirements, but no progress had been made thus far. Gary Windsor commented that Jerry Pierce may agree to represent Filing III on the MWA Board. Gary Windsor further reported on recent procedural improvements, including the assignment of Mike Shanks as the Filing I MWA Board member. Gary stated his belief that the MWA should retain its low profile and not generate controversy, but Gary agreed that

recommendations made in a recent letter by our attorney, Rod McGowan, would be followed.

Jack stated that future MWA construction management should require bids for subcontract work. Rich reviewed his attempts to obtain bids for the recent lift station project. It is very difficult to get cooperation from non-local contractors unless a job is substantial. The lift station project was not of interest to nearly all of the contractors Rich contacted. EHS, a local contractor, was ultimately selected as the only interested company.

Unfinished Business: None

New Business: Bob Costello reported that the Annual Homeowners' Meeting date in September would have to be extended this year to accommodate completion of year-end financial reports and the audit. There was consensus agreement to change the meeting date to September 22nd, and provide the required notification to owners in the March, May and July issues of "The Rancher".

Adjournment: At 12:20 PM, motion was made by Gerry Johnston, seconded by Gary Windsor, that the meeting be adjourned. Motion Passed. The next meeting will be held on May 19, 2007 at 9:00 AM.

Respectfully submitted,

Mark A. Baxley, President

Approved by Board Members _____:
Date

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