

MINUTES OF THE ANNUAL MEETING OF THE ALPINE MEADOWS PROPERTY OWNERS' ASSOCIATION

July 5, 2020

The annual meeting of the Alpine Meadows Property Owners' Association was held at 2:00 pm on Sunday, July 5th, 2020, via Zoom. Present were Rick Barnard, Elizabeth Smith, Happy Fowler and Bert Phillips, Bill Rea, Ellen and Jim Martin, Jane and Jerry Clark, Honeydew Murray, Carol and Fred Fowler, Sidsel and Sam Robards, Ruth Esserman, and Emily and John Bruno. Present by proxy were the Thornton's (proxy to Jim Martin), and the Jenevein's (to Jerry Clark). In total, 14 lots were represented at the meeting.

The meeting was called to order at 2:05pm by Jerry Clark, President, noting that proper notice was given and that a quorum was established. Jerry thanked all for attending by Zoom in this time of the Covid virus and expressed best wishes to all for their good health.

Minutes

Jane Clark read the 2019 minutes, which were then unanimously approved.

Water Report

Rick Barnard then gave the water report. Water usage this past fiscal year was 2.2 million gallons, up substantially versus the prior fiscal year, reflecting heavy lawn watering during the 2019 summer months. Rick noted the water system, while old, is in good shape. That said, there are galvanized parts in place at the pump house that should eventually be changed to brass. Also, Rick noted that many lines from the shut-off valves to individual homes are made of galvanized iron and may warrant replacement by individual homeowners. Rick has a blueprint of the water lines which unfortunately does not detail the location of all the shut-off valve connections and will undertake a survey to identify all locations. Rick also noted he is in the process of having the water quality tested and will provide the test results in the near future when the testing is completed. Lead levels at one location are slightly above state recommended levels (0.019 parts per million vs 0.015 ppm). Rick will take further samples to confirm test results across the system.

Rick also advised that the Association needs to engage a state certified water purveyor to be in charge of the water system and water testing. Rick has recommended that Ronnie Benson from CB South Metro perform this role. This would likely result in a higher cost, which Rick estimated would be roughly \$4,000 versus the \$2,873 in the current budget. Also, due to the aging infrastructure, it has been recommended the Ridge Water System users establish a Reserve Fund (see Finance recommendation). Rick also mentioned that everyone should have a back-flow prevention device. Rick is available to discuss each home's situation with owners who wish to contact him

Financial Report

Jerry then presented the Financial Report that had been provided in advance to all Members. Jerry reported that our Net Income in Fiscal Year 2019/20 was \$3,235. This improved our Cash position at June 30, 2020 to \$30,496, which was \$2,824 higher than budgeted. Jerry then reported the reasons for the improvements to Revenues (up \$760) and Expenses (down \$2,063), and noted that much of the expense reduction was due to timing issues that would be reversed on the following fiscal year. Jerry also noted that the Verbenone expense noted in the fiscal year may be overstated as it depends on the timing of when checks written cleared the bank. This may contribute further to the timing issue noted above. Jerry also noted that the Ridge Water system operating costs were only \$85 per lot, versus almost \$200 per lot budgeted. Again, this reflected timing of expenditures out of FY2019/20 and into FY2020/21 such that the cost over the two year period is expected to average out.

Jerry then reviewed the Budget for 2020/21. The "Baseline Budget", excluding special items noted below, was presented first. This Baseline Budget forecast a net loss of \$955, reflecting slightly lower Revenues (down \$460), and higher Expenses (up \$3,730), largely reflecting the timing issues noted above. Sam Robards questioned the reduction in rental fee income incorporated in the Budget versus the prior year, and questioned whether the fee structure should be increased to help offset some of the additional charges associated with running the Association. Jerry mentioned that the fee structure is something the Board sets in the Renting Rules and Regulations document, and that the Board would take up this issue of potentially resetting the fees in an upcoming meeting. Ruth Esserman also inquired about whether real time information on who was renting to whom and when could be made available to Association Members so they could be advised of who was using nearby homes. Jerry said the Board would also take up this issue at an upcoming meeting. As there was no further discussion on the Baseline Budget, Jerry then noted that the Board had already approved this Baseline Budget, and (per CCIOA Law) asked if there was a motion to reject the Baseline Budget. No such motion was made and so it was deemed approved.

Jerry then noted that the Board had also approved a \$100/lot increase (\$2,200 in total) in Assessments to begin a plan to stock Nicholson Lake with fish. Elizabeth Smith would lead the planning effort to implement the restocking. Discussion by Members then centered around the pros and cons of proceeding with this action, reflecting that a proper stocking plan would probably require about \$6,000 to \$8,000 every other year. Jerry noted that the Board's action was a leading action to promote restocking, and that it was expected that the fishing enthusiasts in the Association would step up to supplement this action in a significant way. If that did not materialize, the Board would reassess the commitment. After this discussion, Jerry Asked if there was a motion to reject the \$100 per lot increase. A motion was so made by Ruth Esserman and was seconded by Honeydew Murray. A vote then was taken and the motion to reject the \$100/lot increase was not approved by a vote of 2 for rejecting, and 12 against rejecting by fish stocking plan. As a result, the \$100 per lot increase was approved.

Jerry then noted that, as described by Rick Barnard, the Ridge water System is aging and no Reserve Fund exists to help fund the cost of any significant capital upgrade at such time as it is required. Most HOAs escrow reserves for one-time major expenditures that may be anticipated. Alpine Meadows has no such fund. Jerry noted that the Board had recently met and unanimously approved establishment of a Reserve of \$18,000, funded by assessing each of the 18 lots on the ridge water system \$500 per year for the next two years. Jerry further noted that:

- In addition to representing a simple \$1,000 per "Ridge lot", the amount of \$18,000 was determined to be roughly equal to the anticipated cost if a partial capital upgrade were needed. It also represents a reasonable down-payment in the event a broader replacement of the system were required.
- The "Lake lot" owners would not be assessed for any amounts for this Reserve Fund.
- The Reserve funds would be kept in a separate bank account, and invested only in bank saving accounts, high quality low-risk insured money market accounts, or bank certificates of deposit with maturities of one year or less.
- The Reserve could only be used for significant capital improvement/replacement projects on the Ridge water system, as needed.
- The first \$500 installment would be invoiced with the regular annual assessment in January 2021. The second installment would be invoiced in January 2022.

Jerry noted that under our ByLaws and Covenants, the Board has the authority to assess and levy such an action for a special assessment. As a result, as the Board deems this a necessary and prudent action, and brought this Budget item for your information. The Ridge lot Members were supportive of this action, and asked that the Board determine a way to report on how the Reserve Fund proceeds were being invested.

Finally, Jerry noted that the functions of the Board, especially the role of President, have grown and that there was a need to restructure these roles, including the possibility of hiring a third party property manager to provide many of these services and duties on the Board's behalf. Such an action, if taken, would cost several thousand dollars. Jerry noted that while the Board has been and is still continuing to evaluate alternative ways to restructure these responsibilities, it had unanimously agreed that it be authorized to increase Assessments by up to \$300 per lot if necessary, contingent on whether and to the extent it determines it needs to engage a third party to perform the various administrative roles described. Ruth Esserman commented that the issue was indeed very important, should be studied carefully, and that any such decision should consider the added complexity involved with managing the relationship with the third party, should that be the preferred route. After discussion, Jerry asked if there was a motion to reject this special budget item. None was made and so the contingent \$300/lot assessment increase was deemed approved.

Recycling

Honeydew then reported that if you have heavy trash, contact Carolyn at Golden Eagle at (970) 901-7102 to schedule pick up.

She reminded everyone of the trash pick-up and recycling days and reminded Members they can call Carolyn if recycle containers are needed. They will drop off. Also, Members can find information regarding Recycle pick-up days on the Gunnison County recycle website. Honeydew also asked that Owners sort recycle trash and that those who rent their homes advise their renters to also sort out recycle trash.

Weed Control Report

Honeydew then reported on the Weed Control program for this summer. It would basically be the same as last year, and will include spot-spraying using approved herbicides, and using the same licensed vendors as last year.

We are currently expecting the spraying to occur in late July, possibly the third week. Once the exact dates are known, the neighborhood will be informed. All were cautioned to avoid letting children or pets in yard after spraying.

Pine Bark Beetles

John Bruno reported that although we are a heavy lodgepole pine neighborhood, no trees in the neighborhood were found to be infected on the last inspection.

John noted we continue to employ our only proactive defense, which is applying Verbenone packets. 230 packets and 70 bubble pouches were applied this year. The neighborhood is covered, thanks to the various Members (including many first-timers) who volunteered to lend their time this year to apply the packets.

Board Nominations

Jerry noted that all Board Members were willing to serve again. Jerry asked for other nominations to the Board, but none were made. Being as there were then 7 nominees for 7 positions, the Members agreed to a voice vote on the approval of the slate. A motion was then so made, seconded, and unanimously approved. As a result, the Board for the coming year will include, Jerry, Jim, Elizabeth, John, Rick, Honeydew, and Sidsel.

As there was no further business, several Members made a motion to adjourn, several others seconded, and all approved.

The meeting was adjourned at approximately 4:30pm.

Respectfully submitted,

Jane Clark

Sidsel Robards.

Sidsel Robards
President