

**HIDDEN RIVER RANCH ASSOCIATION
ANNUAL OWNERS' MEETING
JUNE 29, 2017 2:00 PM MDT
QUEEN OF ALL SAINTS MEETING ROOM
401 SOPRIS AVENUE
CRESTED BUTTE, CO 81224**

Present:

Alfred Pinkerton	Lot 1 (by proxy)
Tom Toudouze	Lot 2
Brent Allen	Lot 4
Nick Chirekos	Lots 6 & 7
Jay and Lauris Gibson	Lot 8 & Lot 9
Galen Betz	Lot 10
Rob Green	Lot 11 (by phone)
Don Turk	Lot 12
John Barney/Tracy Wentz	Lot 14 & Lot 15

Rob Harper, Toad Property Management, Inc.

Rob Harper called the meeting to order at 2:07 pm, confirming a quorum and said notice of the meeting was sent on May 26, 2017. Brent Allen made a motion to approve the June 30, 2016 minutes, seconded by Tracy Wentz, all in favor, minutes of last meeting approved.

Water rights: Rob Green said on June 5, 2017 the Water Court had approved all the documents submitted and water rights were perfected for all existing wells and ponds. Rob explained it had been a long process and there would be nothing more to do on water rights for another 6 years.

Mosquito Control: Rob Harper said due to budget constraints the mosquito spraying had been reduced by approximately half.

Porcupine Control: Rob Harper said the current program for porcupine control would remain the same.

Road Maintenance: Rob Harper said the 2016 special assessment had paid for all roads to be graded and repaired and deferred maintenance addressed. Rob Green said \$1,000 or \$1,500 was the estimated cost for ongoing road maintenance. Tom Toudouze said several people had told him Magnesium Chloride was very damaging to vehicles, specifically the paint, and he had asked East River if the association insurance would cover any potential claims for vehicle damage. Tracy explained the application of Magnesium Chloride each year on the main road and every couple of years on the side roads helped to reduce dust and harden the surface of the road and reduce the need for road maintenance.

Grazing: Rob Harper said the Grazing Lease with the Spanns had been renegotiated to \$2,000 per year.

Weed Maintenance: Tracy Wentz said she had met with Brad Wigginton of the Gunnison County Weed Program to discuss a 60/40 grant available for work performed by a licensed sprayer. Tracy explained there were 5 local licensed weed sprayers and she had made initial approaches to those companies but was waiting to hear if Hidden River would be accepted by Gunnison County for reimbursement of 60% of the cost. Tracy explained Gunnison County had recommended Toadflax be treated by a licensed sprayer (as they had access to the herbicide) and the association continue to treat the Thistle with Milestone. Tracy said Keith Cooper had been retained by the association to spray Thistle in the same manner as 2016 up to a total cost of \$2,500.

Fencing: Tracy Wentz said the Hayes had replaced the rotting wooden rail fence with a four row barb wire fence. Tracy said Bill Lacy was dissatisfied with the placement of the fence and was not willing to pay any portion of fence maintenance. Tracy said she did not know if this matter had been resolved.

Tracy said other sections of fence were in need of repair and Rob Harper said he would contact the Spans as fence maintenance was the Spans responsibility under the Grazing Lease.

Governance Policies: Rob Harper explained the 9 Responsible Governance Policies distributed prior to the meeting were mandated by the State. Rob explained the Colorado Common Interest Ownership Act (CCIOA) required all associations to adopt the 9 policies and a local attorney had prepared the language based on CCIOA. Rob said the Board would adopt the policies at the next Board meeting.

Financials: Rob Harper said the Board had put a lot of work into the drafting of the Budget to meet current operating expenses and to rebuild the association's reserve. Rob explained the Association had been operating under a deficit budget for a few years and approximately \$13,000 in legal expenses for water rights and a big snow year had depleted the Association's reserves. Rob said lenders typically wanted to see at least 10% of operating expenses going into a reserve account on an annual basis.

Tom Toudouze questioned such a large dues increase as it would make lots less attractive to potential buyers and special assessments when needed would be a better approach. Rob Harper said slowly building up funds over a period of years in anticipation of large road maintenance expenses was fair to new owners who had not had the benefit of multiple years of low dues. Don Turk said lenders did not like to see multiple special assessments and favored balanced budgets.

Tracy Wentz said the association had been operating with the lowest dues of any similar association in the valley and Nick Chirekos said the Board had discussed any potential areas for cost saving and were presently discussing the most cost effective method of snow removal for future years. Nick explained the Board would look at a dues reduction once reserve levels reached an acceptable level.

After a long discussion Tracy Wentz made a motion to approve the 2018 Budget. Nick Chirekos seconded the motion and it carried by a majority.

Board Elections: Rob Harper said Tracy Wentz was willing to continue on the Board for an additional three year term and Roger Cesario had just sold his lot and was no longer able to be on the Board. Brent Allen made a motion for Tracy Wentz to continue on the Board for a three year term. Jay Gibson seconded the motion and it was unanimously approved. Rob Harper agreed to email all owners asking for a volunteer to join the Board for a three year term.

Tom Toudouze made a motion to adjourn. Jay Gibson seconded the motion and it was unanimously approved

Submitted by Rob Harper, Toad Property Management, Inc.

Approved by: Rob Green, President