

Saddle Ridge Ranch Estates
2019 Annual Homeowners Association Meeting Minutes from
Tuesday, October 15, 2019
10:00 A.M. @ Peak Property Management and Sales, 241 Gillespy Ave. Crested
Butte South, CO.

Meeting Minutes

Call to Order/Proof of Notice/Roll Call

The Saddle Ridge Ranch Estates Homeowners Association's annual meeting was called to order at 10:05 A.M. on Tuesday, October 15, 2019 at Peak Property's office. The meeting notice was emailed and mailed out on September 6, 2019, and the meeting packet was emailed out on September 24, 2019. The meeting was represented by the following owners though a quorum was not able to be established for an official meeting. The attending owners continued to hold an unofficial meeting to make recommendation to the Board of Directors regarding maintenance/repairs, budget, and new board member.

Attending HOA Owners

- Lot 7: Timothy Fretthold (Call in)
- Lot 10, 11, 12: Hans Helmerich (Call in)
- Lot 14: Ken Moore proxy to Hans Helmerich
- Lot 17: Tommy Pittenger (Call in)
- Lot 18: Ron Edmundson (Call in)

Peak Property Management and Sales

Tom Hein-Association Manager

Confirm Current Owners Contact Info

Due to Colorado privacy rules Peak Property is not allowed to share homeowners phone numbers and email addresses. If your contact information changes (mailing address, email, phone numbers) please notify Tom or Brenda at Peak Property.

Approval of HOA Meeting Minutes from October 16, 2018.

Postponed until the next annual meeting with a quorum.

Managers' Report

Tom H. welcomed everyone to SRRE's 2019 annual HOA meeting and thanked everyone for taking time to attend. The manager's report was presented and included the following:

- The property is approaching 20 years old and repairs/maintenance is and will continue to be on of the HOA's biggest expenses. Peak Property continues to do basic maintenance and repairs as needed.

-A lot of time is spent maintaining and repairing the irrigation ditches. There is approx. 3 miles of irrigation ditch to maintain, repair and fix. Improvements were made on the irrigation ditch behind lots 14-18 but much more work will be needed to improve the ditch.

-The HOA's irrigation phase 1 plan has been finalized and the BOD's will be working on phase 2 and 3. SRRE's responsibility for the upper Meridian ditch cost (maintenance and improvements) is 65%, Glacier Lilly is 30% and rest is split between the CB Land Trust and the Rozeman's.

Old Business (Review of the 2018 Agenda's New Business)

1. Tap Fee/Water Shares increase November 1, 2018. New amount \$42,000.00.
 - a. **2018 Meeting Results:** tap fee/water shares increase as of November 1, 2018 from \$34,500 to \$42,000.00.
2. CCIOA Resolutions complete and ready to return to Peak.
 - a. **2018 Meeting Results:** The BOD's finished up the last revisions and this is complete. CCIOA is the Colorado state regulatory rules for HOA's and stands for Colorado Common Interest Ownership Act.
3. Irrigation Plan Update: to provide non-potable water to individual lots for watering exterior landscape.
 - a. Smith Hill/SRRE irrigation ditch issues.
 - b. **2018 Meeting Results:** The HOA BOD's is working on finalizing the irrigation plan to deliver non-potable water for landscape irrigation. The HOA's intent is to have estimated cost completed this winter, finalize how to pay for it, and start to implement and install the irrigation plan next spring 2019. The current plan is being developed based on SGM's original/previous irrigation work they did when developing the property. SGM original work outlined the proposed irrigation ditch routes, specifications for concrete water storage vaults and how owners are to irrigate from them, new head gate and measuring flumes, etc. After reviewing SGM's recent proposal for \$24,000.00, the Board felt SGM would be duplicating their previous work and decided to save the Association the money by taking on the work SGM was proposing themselves. Tobin O'Donnell asked what the risk were if the HOA didn't get the irrigation plan right. The biggest risk is not completing the irrigation plan and not getting water to the southeast side of the property to irrigate the open space under SRRE obligations. Risks are being reduced by developing a good plan and using the right materials like pipe to move the water to reduce water seepage/loss and reduce evaporation. The irrigation system will be easy to alter, modify and control the water flow once everything is installed. Ron Edmundson asked about initial cost, and would it be presented to the owners. Yes, once all the cost is figured out the owners will be notified before any assessments or construction starts. Regarding Smith Hill their road is washing out into SRRE ditch and Tom will work to find a solution with them.
4. Review Design Review Process
 - a. **2018 Meeting Results:** Ken Moore asked to comment on the design review and construction approval process for his home. Ken Moore felt the process was slow and inefficient and hoped in the future the process could be improved to help owner better understand the HOA design requirements, covenants, and guidelines. The

process caused confusion and frustration and extra construction time and cost. The DRB mentioned this was the first approval since the first home 10 years ago and there were issues the DRB had not come across such as the patio area outside building envelope, an open fire pit safety concern, and landscape revisions were slow to be resubmitted. All of which required additional meetings and time to sort thru. Regarding the pond approval, it has not been approved and water for the pond belongs to the HOA under its Water Decree, water rights, and irrigation plan. Hans Helmerich acknowledged Ken's frustration with the process and mentioned that the DRB has since discussed the review and approval process. The DRB recently approved lot 18's construction and landscape plans in less than 60 days. Tobin O'Donnell asked about updating some of the design guideline required building materials (wood shingles). The DRB has some flexibility regarding materials, but any changes to the Design Guidelines and/or Covenants would require going to the county for review and approval. That could cause unforeseen issues and additional changes the HOA does not want.

5. Reserve Study and Maintenance-Repairs Needed.
 1. Replace entry log arch. Not an Association expense.
 2. Chink the exterior of barn. HOA expense not budgeted for in 2019.
 3. Stain (oil) interior barn wood/logs and stable wood. HOA expense not budgeted for in 2019.
 4. Build/construct/Implement Irrigation design. HOA expense not budgeted for in 2019 on.
 5. Noxious weed spraying. Peak to investigate subsidy from the Gunnison County Weed Program.
 6. Possibly need to crack fill SRRE road before winter 2019-20 (later summer).
 - a. **2018 Meeting Results:** Item #1 is underway and should be completed before ski area opens. HOA's insurance might have to subrogate against C.B Mobiles company's insurance.
Items #2, #3, #4 cost will be collected and reviewed by the BOD's over the winter and plan to do the work in the spring/summer 2019.
Item #4 Peak Property to look into Gunnison County's Noxious weed program and a subsidy of 40% to offset the HOA's cost to maintain the open space from noxious weeds.
Item #6 to be evaluated next summer and done if needed.

New Business

1. Irrigation Plan Update: non-potable water to individual lots for watering exterior landscape.
 - a. Phase 1, 2, 3
 - b. **2019 Meeting Results:** Phase 1 design is complete and an assessment was sent out to collect funds to start the project this fall. The project was delayed till next spring 2020 because all the funds were not collected. As of Oct. 23, 2019, four owners have not paid their assessment. The Board will be working on Phase 3 pricing (irrigation pipe from Meridian dam to Glacier Lilly/SRRE diversion box) and phase 2 design work (north side of SRRE RD.). Attached with the meeting minutes is the phase 1 irrigation plan.

2. SRRE HOA comparison to other similar HOA's in the valley

HOA	# Lots	Dues Amount	Water Availability	Water Usage	Wood Shingles Allowed	Tap Fee
SRRE	18	\$1800/yr.	\$840/yr.	\$2100/yr.	Yes	\$42,000
Larkspur	58	\$1300/yr.	included in dues	same	Yes	\$14,000
Buckhorn	249	\$900/yr.	\$270/yr.	\$540/yr.	Yes	\$15,000
Hidden River	17	\$2500/yr.	Wells	Wells	Yes	none
Trappers Crossing	92	\$3750/yr.	Wells	Wells	No	none
Meridian Lake	180	\$1260/yr.	\$850/yr.	\$1,600/yr.	Yes	\$20,000
Crested Butte South	700	\$377/yr.	\$450/yr.	\$1,020/yr.	No	\$18,000

- a. **2019 Meeting Results:** A comparison of SRRE HOA to other HOA's in the Crested Butter area was provided to the owners.

3. Reserve Study and Maintenance

- a. Repairs Needed.

- Stain Entry Arch
- Chink log checks, large cracks, and gaps.
- Stain exterior of barn
- Crack fill road

- b. Repairs to Consider.

- Seal Coat road

- c. **2019 Meeting Results:** The owners reviewed and discussed the maintenance and repairs needed and agreed maintaining the existing property was very important, especially, the barn and road are now 15 years old. Tim Fretthold noted road crack fill maintenance was very important and suggested the HOA might look into loans to offset future assessment cost, especially irrigation assessments for owners who prefer no to pay all up front, Hans Helmerich agreed.

Financial Report

-The Saddle Ridge Ranch Estate checking/operating accounts as of September 23, 2019 had \$6,095.95, the restricted reserve account had \$99,282.86 (\$18,617.86 before the Irrigation assessment, and \$31,025.00 in accounts receivable for a total asset amount of \$136,403.81.

-The Association's 2019 budget thru September 23, 2019 has a negative net income of \$1,242.29 and is projected to finish the year negative \$4,370.28.

- This past fiscal year the HOA had two unbudgeted expenses (Water Co. assessment, annual water bill from Water Co.), higher snow removal, material cost, and ditch maintenance cost which contributed to the negative budget for the year.

-Some budget line item costs have risen, and the 2020 proposed budget reflects those increased cost.

The 2020 proposed budget has two options: A and B. Option B is the highly recommended budget as it covers all the necessary maintenance/upkeep needed for 2020.

-The proposed 2020 budget options have dues increases to cover the increased cost and will provide a small positive net income.

-Approve the proposed 2020 budget.

-2019 Meeting Results: Ron Edmundson asked if all the irrigation maintenance budget was going towards maintaining the upper ditches? Tom H. reported no, not all the budgeted irrigation money is going towards the upper ditches, and work was being done on all the interior irrigation ditches. Especially on the southeast side of the property where getting water to lower end of the ditch has been a lot of work due to the poor condition of the ditch. After the owners reviewed the financials, Ron Edmundson commented the budget overages looked unforeseen, and the rest of the budget was in line with the approved budget.

The owners agreed that HOA maintenance and upkeep was important and favored the proposed budget "B", but they didn't like the idea of the HOA dues going up so much. The owners preferred that the maintenance cost be removed from the proposed budget and paid for with an assessment. The owners agreed and recommend that the proposed budget be revised by removing the cost for the road crack fill, staining the entry arch, and staining and chinking the barn. The owners preferred that the board review and send out to the owners their recommend budget to approve. Additionally, the owners agreed that in the future the reserves need to go up, and an annual reserve contribution on top of the monthly dues maybe needed.

Election of Board of Directors (3-year terms)

President- Doug D'Apuzzo 2016-2019

Vice President-Kim Hansen 2016-2019

Vice President- open

Vice President-Ken Moore 2018-2021

Treasurer- Hans Helmerich 2016-2019

2019 Meeting Results-Tommy Pittenger volunteered to fill the open position on the board, no other owners volunteered. The owners recommended the board members maintain their current position until the next annual meeting and add Tommy Pittenger to the Board.

Establish Date for next meeting-Oct 6. 2020 @ Peak Property 10:00 A.M.

Adjournment

Tommy Pittenger made a motion to adjourn the meeting, Ron Edmundsoon seconded the motion, all were in favor, and the motion was approved. The meeting was adjourned at 11:30 A.M. on October 15, 2019.