

Minutes of Saddle Ridge Home Owners Association

David Dlugasch representing Peak Property Management and Sales called the meeting to order at 10:03 a.m. on April 28, 2006.

Members present:

Kim Hansen, Lot 1

Julie Rosen, Lot 14

Jeff Bailey, Lot 11

Doug Dapuzzo, Lots 2, 8

Glenna Galloway by proxy for Andrew Shoup, Lot 12

Christopher Bassett, Oikos Artisans

David Jelinek, water operator

Peak Property Management Staff present included David Dlugasch, Owner, Ann Johnston, Office Manager, and Rebecca Green, Bookkeeper.

There were not enough members present to form a quorum; so another meeting was scheduled for June 8, 2006.

Regarding the minutes from the previous meeting on August 31, 2005, Doug motioned to approve the minutes, which was seconded by Julie and Jeff. The motion could not be approved, as there was not a quorum.

Kim raised questions on the water company billing. He received a bill and was not sure why. Doug said Roscoe Development took several years developing the water before it was ready to hand over to the water company for use. It has now been signed off by powers to be, and turned over to the water company. Fees were not charged until January of 2006. Kim questioned tap fee payments. Doug explained that all owners must pay an availability fee, which is different from a tap fee. Owners don't have to pay a tap fee, but must pay the availability fee.

Doug spoke about the fencing. The fencing was started last fall, and was not finished before the snow came. The cost is still Doug's responsibility. If fencing is not completed before this season, Doug will deposit the funds to the Association and then the Association can pay to finish the fencing. David spoke to English Fence, and they promised the fence would be done by July 30. David said they had tried to finish but could not because of the snow, but they were emphatic that it would be done. Doug was also confident that they would complete the fence in a timely manner.

Doug spoke about insurance. The Association is insured and he is working on getting a keynote policy for officers and directors. However, the insurance is predicated on the developer not being involved. If any projects that Doug is responsible for that are not completed shortly, he may need to write a check to Peak to satisfy the insurance requirement. Peak would then pay any outstanding contracts.

David spoke about lighting. He said the lights were on the monuments out front. The stalls were completed in the barn this winter. Lacy has finished blacktopping the road.

Christopher spoke about the irrigation. He said he was just at the property, and there is lots of water flowing and there is still snow in the ditch.

Christopher reported about the Catch Basin System as follows: Head gates are needed on laterals. The laterals were not constructed according to engineer's plans. The ditches were constructed off contour, instead of on contour, causing erosion and difficulty in irrigating. Christopher recommends installing check dams to irrigate properly.

Doug mentioned that Lacy Construction built the laterals, and questioned if they were going to do the work. Christopher said that was out of his control, the Association would have to decide if and what action they wanted to take with Lacy. David offered to follow up on this. Christopher also reported that there is a break in pipe below the second catch basin. It is eroding into a steep gully. He recommended that Tyler Hansen, at Schmuesser, Gordon & Meyer also be contacted. The problem is the steepness of the hillside. Further impact will also cause erosion.

Julie asked what the options are, as well as time frame and cost. Christopher said there is an inlet and outlet at each catch basin. Currently, only the outlet is working. He can rig it for the season, but for a long-term solution we may want to build a gate. Christopher said he could not move the existing head gate because it is cementing into place. A second gate is needed at each of the two catch basins or more erosion will occur. Christopher will meet with the county.

Christopher reported about the Lower Ditch, as follows: The riprap installed by Lacy seems to be working effectively. There are still some eroded parts of the ditch, up to two feet. There are a number of sub-surface ditch breaches. A willow planting is suggested to stabilize the ditch bank. Doug liked the idea of willow planting for its aesthetics. Christopher said now is the key time to stake dormant willows at 10 to 20 foot intervals. This should happen in the next couple of weeks, although he has a little leeway as he could go up in the high country for dormant willows. Kim asked about the cost of the plantings. Christopher said he does not have a budget yet for the planting. Kim asked if the willow planting could be included in the monthly maintenance fee. Christopher said it would be separate. Christopher said Lacy put the riprap in last year to deal with 4 feet of erosion. Erosion right now is at 2 feet, but that could turn into 4 feet. Doug suggests planting the willows now. Doug said maintenance including cleaning out ditches and monitoring erosion could be done without a quorum.

Christopher reported about the Pond, as follows: The pond is a major problem. There is no control mechanism to regulate the inlet to the pond. The pond is currently overflowing, but not in a detrimental way. Either a diversion box needs to be built, or flow-through system needs to be developed. The diversion box would be built above the manhole, which brings water under the road to the pond, to prevent water from flowing

into the pond. A flow-through system would eliminate stagnant water and encourage a healthier aquatic system. The spillway could be planted out, decreasing erosion possibilities, and increasing riparian habitat. A key will be made for outlet valve.

Kim asked if anyone has started building. David said no, and he has not been advised of anyone who plans to start this summer.

Christopher reported about the Constructed Wetlands, as follows: Constructed wetland is currently dry. The Rozich ditch flows around wetlands, but it is not percolating into it. Last fall, Rudy Rozman denied access to the Rozich ditch to fill wetlands. Runoff from Saddle Ridge property flows into Rozich ditch, but not wetland. Wetlands are supposed to be filled from sub-surface water.

Doug said 10-12 years ago, he used to walk through the wetland area and water was up to his knees. The area was chosen by environmental assessment. Christopher said we need to consider how to encourage water to rise up through the soil to make the wetland.

Those in attendance okayed Christopher's report.

Glenna asked about the Wetlands Driveway Crossing, and wanted an update on the status of the culverts. Doug said that was another item that he would be responsible for payment of. Glenna said she had an invoice from Lacy, and they indicated they were ready to go at Doug's request and expense. Doug said the crossings were delayed because county/irrigation took precedent.

David will get the invoice from Lacy and forward it to Doug.

David reported on finances, and said there was \$13,085.20 in the account as of April 27, 2006. Kim had questions regarding maintenance. David explained that maintenance included a management agreement with Oikos Artisans, a plowing agreement with Lacy Construction, and a property management agreement with Peak Property Management and Sales.

Kim asked for an annual accounting report. David agreed to provide an annual balance sheet and profit and loss report. If anyone wants more detail as to check register, etc., just let David know. Doug asked for last year's numbers and this year's budget.

David also requested that all owners provide him with a current email address. These addresses may be sent to david@peakcb.com.

The meeting for the Saddle Ridge Ranch Water Association immediately followed the homeowners association meeting, at 11:02 a.m. Jon Rose, Lot 16, joined this meeting. David introduced David Jelinek, a certified Colorado water operator, who will be responsible for operations and monitoring the water facility.

Jelinek reported that he had a meeting with Dave Dawson, who installed the water treatment plan, filtration equipment and ozone generator. Jelinek ordered parts for the

ozone generator. Timberline tied in phone system, it is up and running. There is a leak in the distribution system. Snowmelt is needed in order to find leak and determine the repair. Because of the leak, it is still 3 to 4 weeks away from proper functioning.

Jelinek reported that some remaining details that needed to be addressed included:

1. installation of pressure switch for ozone generator
2. mixer needs to be fixed for chlorine
3. electrical receptacle needs to be rewired for pump for chlorine
4. leak needs to be found and repaired
5. The line from the well on Terry Fitzpatrick's property needs to be disconnected so it does not contaminate the water.

Doug mentioned that Fitzpatrick would need to pay the cost of the disconnection of the well.

Julie questioned who monitors the water. Jelinek responded that he does. Jelinek will make sure distribution system is properly resolved.

David said the engineering company signed off on the water system. Jelinek is now in contact with the state for approval. Jelinek said we have a public water system number for Saddle Ridge, and we can proceed. David agreed that we are legal and good to go.

Julie asked if the details Jelinek mentioned are negatively affecting the system. Jelinek responded that because the system is not running, it is not being affected. He is also taking bacteria samples and sending them to the lab in Grand Junction.

Glenna asked who was on the lower distribution, and Doug responded that only the Fitzpatrick well. He is using it illegally and he has been notified.

Jelinek asked about a property on the lower section tied into the distribution system, possible a horse trough on Joe Knox's property? Doug and Glenna responded that Joe Knox used to rent from Fitzpatrick.

Julie raised the question about whether or not the homeowners are responsible for paying for the leak repair. She said the cause of the leak should first be determined. Doug said he would take responsibility for paying for the leak if it is determined that is happened originally, or because of an installation issue. Doug agreed that he would take responsibility for paying for everything but the maintenance. Jelinek said he would be able to determine the cause of the leak when the snow melts and he can view it. Jelinek said the system was operational as of the fall, and it is a steady leak. About 50,000 gallons have been lost per month over the last 5 or 6 months.

Glenna questioned when the tests would be run. Jelinek said he would prefer to wait 2 or 3 weeks for snowmelt. Because of the high water run-off right now, it is very difficult to locate the leak.

David acknowledged that Jelinek is doing a great job, is very knowledgeable, cooperative and responsible. Jelinek has ordered supplies to keep everything running.

Because a quorum was not met, another meeting was scheduled for June 8, 2006, at 10 a.m. at the office of Peak Property Management and Sales. The water meeting will follow immediately.