

ELK STREAM RANCH PROPERTY OWNERS ASSOCIATION
(ESRPOA)
BOARD OF DIRECTORS MEETING
AUGUST 26, 2013

The Board of Directors meeting was held at the home of Philip and Linda Walters, 6137 RD 46, Mancos, CO. President Gem Boone called the meeting to order at 7:05 pm, MDT. Gem Boone and Alan Scott, Webmaster, attended the meeting via a call-in-number. In attendance were Philip Walters, Vice President and Acting Treasurer, Louise Lawson, Secretary, Steve Boone, Chairperson, Property Management Committee (PMC), and Linda Walters, POA member.

A summary of agenda items, ensuing discussion, and actions is as follows:

1. Steve Boone summarized his recent conversations with Cecil Thurman to identify and re-estimate 2013-2014 road costs. Late July and August rains caused considerable and further RD 46 damage, re-plugged culverts, washed out erosion measures, deepened the bar-ditches, and damaged the sub-base in areas. Routine maintenance of both RD 46 and G3 was not completed earlier this season to conserve budgeted road monies. The Board and PMC are now recommending minimum patch and repairs to preserve the road, insure member access, and protect drivers during the upcoming winter.

At this time there are four road cost categories. First is the ESRPOA's portion of the Elk Springs' POA costs to maintain RD 46. Elk Springs is contracting with Cecil Thurman to maintain and perform upkeep on its portion of RD 46 this fall. The prorated, estimated cost to ESRPOA is \$2,950.

The next road cost category is estimated at \$10,580 to perform G3 maintenance and bar ditch repairs due to some long term drainage problems. Work is planned to occur before winter. This work was already planned to be performed using road reserve funds in the 2013-2014 budget approved on July 25, 2013.

The third cost category is for repairs to RD 46 due to post-fire flooding/run-off. ESRPOA's contractor has already performed \$13,500 worth of this work since August 1, 2013 in this category. For safety and proper drainage, more work is required prior to winter at estimated costs of \$17,600 for patching and repairing bar ditches for drainage and safety, and for making repairs to prevent further damage to the road base during the winter (this will most likely require adding ¾" and 3" road base in places). Rebuilding of the large vehicle turnaround at the lower end of RD 46, which has been recently destroyed by flood waters is estimated to cost \$5,100. The total of actual and estimated work in this category is \$36,200. Philip Walters has spoken with ESRPOA counsel and has been advised that Road Reserve funds can be used for this sort of emergency repair and maintenance.

The fourth category is an estimate of monies that might be required for patch and repairs should we experience additional flash floods in 2013-14. Each flash flood requires at minimum the removal of rocks from the roadway, clearing essential culverts to keep water from overflowing the road, replacing road base or $\frac{3}{4}$ gravel when needed, and filling deeply eroded bar ditches. A review of recent invoices suggests each flash flood costs approximately \$8,000. A "guesstimate" is that the ESRPOA should have a budget cushion of \$20,000 in the event of future flash floods in 2013-14. If the additional monies are not needed then this money can be applied to future road expenditures. The Board is concerned that not having extra funds available places the ESRPOA in a defenseless position if flooding occurs, minimum road maintenance is needed, but there is insufficient cash to allow a commitment to authorize work needed.

Lastly, recent flash flooding and resulting damage suggest it might be three to four years post-Weber Fire before burn areas have sufficient re-growth to absorb and hold moisture during heavy rains. In light of this new environment, the board has asked the Property Management Committee to develop a new Road Reserve Study and plan to protect the road system in light of these risks.

2. The Board recognizes the 2013-2014 budget, ratified in July 2013 before heavy rains and flash flooding, is insufficient to cover road expenses. Road repairs already incurred will exhaust cash carryovers from previous years. Instructions have been given to limit ESRPOA expense commitments to essential items until the 2013-14 budget is recast and amended and 2013-14 dues received. Philip Walters will meet with Odin Christensen, Assistant-Treasurer to create a Cash Flow Analysis for 2013-14 through October 2014 (when 2014 membership fees are received). Louise Lawson will work with Philip in preparing the Cash Flow analysis and recasting the 2013-14 budget. The Board called a Special Meeting of the Board for 7:00 pm, Saturday, August, 31, 2013 at the home of Gem Boone to review a revised 2013-14 ESRPOA budget. It is likely that the Board will also call a Special Meeting of the ESRPOA membership to apprise them of the need for an amended 2013-14 budget and a special assessment to cover previously unanticipated road expenses.
3. Alan Scott reviewed the road licensing agreement with the Daultons' (two lots) and the proposed 2013-14 fee amounts. Louise Lawson moved that the Board authorize Gem Boone, as ESRPOA President, to negotiate, complete, approve, and sign the annual Road License agreement with the Daultons' for 2013-2014. Philip Walters seconded the motion. Gem Boone called for a vote and the motion was unanimously approved.
4. Philip Walters introduced a New Business item. He recommended the need to restate the ESRPOA's ethics position regarding individual members presenting themselves as ESRPOA representatives and seeking personal quid pro quo agreements with service vendors. This is considered a violation of the POA's ethics policies and practices. Discussion ensued but no specific action was taken.

The meeting was adjourned at 8:25 pm MDT.

Respectively submitted,
Louise Lawson, Secretary