

ELK STREAM RANCH PROPERTY OWNERS ASSOCIATION

ANNUAL MEETING OF THE MEMBERSHIP

August 1, 2015

The Annual Meeting of the Elk Stream Ranch Property Owners Association (ESRPOA) was held at the home of Philip and Linda Walters, 6137 Road 46, Mancos. Philip Walters, President, called the meeting to order at 1:40 pm MDT.

ESRPOA lots were represented either in person or by proxy as follows:

- Lot 1: Stone by proxy
- Lot 3: Redies by proxy
- Lot 4: Louise Lawson in person
- Lot 7: Albert and Logan by proxy
- Lot 9: Hoy Trust by proxy
- Lot 14: Alan Scott and Anne Meininger in person
- Lot 17: Steve Villano in person
- Lot 19: Ken and Pam Surabian in person
- Lot 20: Philip and Linda Walters in person
- Lot 21: Keith and Mary Payden in person
- Lot 23: Gem and Steve Boone in person
- Lot 24: Jim and Lynn Fritz in person
- Lot 25: Tom and Sue Ann Olson in person
- Lot 26: Paul and Colleen Czaplicki in person
- Lot 30: Darren George in person
- Lot 31: Janice Feingold in person
- Lot 34: Christensen and Lucas by proxy
- Lot 35: Christensen and Lucas by proxy

With 18 of 35 Lots (51 percent) represented in person or by proxy it was determined we had a Quorum. (ESRPOA bylaws define a Quorum to be 20 percent of 35 lots, or 7 Lots.)

Guests attending the meeting were Tony and Karen Daulton.

The Members present waived the reading of the previous 2014 Annual Meeting minutes and the minutes were accepted as presented.

Philip Walters noted that this, the 2015 Annual ESRPOA Meeting, is the 20th annual meeting of the POA.

ESRPOA Citizens of the Year

Via Philip Walters, the Board of Directors and the Membership extended their acknowledgement and special gratitude to Odin Christensen and Phyllis Lucas,

owners of Lots 34 and 35, naming them the ESRPOA's Citizens of the Year. Philip Walters listed their many contributions to the ESRPOA. Odin has been the ESRPOA's Assistant Treasurer for over ten years. He prepares all dues and special assessment statements, receives all income and pays all invoices, performs banking duties, and prepares monthly financial reports as well as special reports when needed. He is also a lead Fire Ambassador and attends related conferences and meetings. In addition, Phyllis and Odin spend countless hours doing weed control and fire mitigation work on the south end of the Canyon. They also continue to represent the East Canyon community-at-large by cleaning the Highway 160 ditches on either side of the gateway to Road 46, unassisted. Thank you Odin and Phyllis for your countless hours of community service!

Treasurer's Report: In the absence of Odin Christensen, Philip Walters presented ESRPOA's financial reports for the operating year 8/1/2014 – 7/31/2015. (See Attachment A.) Total operating income exceeded budget and total operating expenses were below budget resulting in an excess of income over expenses of \$12,630. The Association's end of year Operating Cash Balance was \$39,882.

Philip noted that expected reimbursement from Montezuma County's weed control program was \$3,300 below budget. The budgeted number of \$3,800 matched the previous year's reimbursement. The PMC learned that the County awarded us the higher amount after the wildfire recognizing the increased costs of weed control post-fire. The County is now capping reimbursement per claimant at \$500 per annum. Individual POA members are still eligible for weed expense reimbursement up to \$500 until County funds are exhausted.

Also noted was that \$8,500 of budgeted repairs to Roads 46 and G3 were not completed this past Spring due to weather. These dollars have been moved to the 2015-2016 budget via an amendment approved on July 26, 2015.

Design Review Committee (DRC) Report: The 2014-2015 DRC Committee included Steve Boone as Chairman, Steve Villano, and Philip Walters. Steve's DRC report is included as Attachment B.

Steve cited the following DRC projects:

August 8, 2014. Steve Villano and Chris Groll's application to build a fence around their house on Lot 17 was approved. The fence has been built.

August 12, 2014. Jim and Lynn Fritz requested a permit to replace an existing retaining wall on Lot 24 with a wall constructed using large boulders. Their application was approved and the project completed.

October 4, 2014. Jim and Lynn Fritz, Lot 24, submitted a request to replace the entrance gate to their property. The project was approved and completed.

February 14, 2015. Ken and Pam Surabian, Lot 19, submitted their landscaping and fencing plan for final approval. The project is near completion.

Additional information regarding these projects is posted on the ESRPOA website (ElkStreamRanch.org).

Property Management Committee (PMC): This past year the PMC members included Steve Boone, Chairman, Odin Christensen, Keith Payden, Philip Walters, and Ken Surabian. The PMC's written report, presented by Steve Boone, is included as Attachment C. Noted items included:

Thanks to good communications among the snow monitors, winter residents and light snows, last winter's snow removal costs were significantly below budget (-\$12,843).

The post-wildfire Drainage Improvement Plan dated February 24, 2015 is nearing completion. The PMC continues to monitor the adequacy of the reconfigured drainage system after every major rainfall to determine if modifications are needed. Going forward the PMC's road repairs and maintenance efforts will focus on restoring the surfaces of Roads 46 and G3.

The proliferation of cheat grass (since the wildfire and post-fire flooding) is posing a major challenge. The PMC will work with the Firewise ambassadors and the Board of Directors to develop and fund a plan to address the rapid spread of cheat grass in the canyon.

Special acknowledgement was given to Odin Christensen and Phyllis Lucas for their ongoing weed control efforts on the south end of the canyon. Besides the effectiveness of their efforts, they save the ESRPOA money in reduced weed spraying costs.

Cattle grazed the Canyon this year. An effort was made to bring in sheep and goats but the previous grazer did not respond to inquiries.

Prairie dogs have been spotted on Lots 7, 9, 19, and 23. Everyone is asked to immediately notify a PMC member if they spot a prairie dog and where it was spotted.

Philip Walters mentioned that Rick Kremen is recycling the wood from dead or burn trees. POA members can contact him for cost estimates.

OLD BUSINESS

Community Wildfire Protection Plan (CWPP): Linda Walters reported that she, Gem Boone, Ken and Pam Surabian, and Odin Christensen serve as the ESRPOA's Firewise Ambassadors, meeting on a weekly basis with the Montezuma County Firewise Coordinator. They oversee and implement our CWPP fire mitigation plan adopted in 2008. (The CWPP plan is available on the ElkStreamRanch.org website.) Linda noted that the CWPP is implemented in coordination with Elk Springs Ranch, the Daulton families, and the Ott families.

NEW BUSINESS

2015-2016 Budget: Philip Walters presented the ESRPOA 2015-2016 Budget Adopted May 17, 2015 and Amended July 26, 2015. (See Attachment A.) In developing the 2015-2016 Budget, the BOD considered input from the Property Management Committee (PMC). The PMC noted that immediately following the 2013 Weber Canyon Wildfire, the Association focused its attention on preserving and patching Road 46 while redesigning and rebuilding our drainage system. In the process the Association fell behind in both controlling weeds and fire hazard mitigation. The PMC recommended increasing these line items in 2015-2016 and future years due to the proliferation of cheat grass in the canyon, which is a fire threat, and continue our fire mitigation efforts. It also recommended maintaining the snow removal line item at \$16,800 should we experience a snowy winter. To accommodate these line item increases, annual dues will be increased to \$1,500 per Lot and are likely to remain at this level for the foreseeable future. The Budget adopted May 17th incorporates this increase in annual dues.

Prior to preparing its report to the BOD, the PMC drove Roads 46 and G3 with our road contractor. Taking into account both deferred road repairs (because monies were shifted to the post-wildfire flooding crisis) and the ongoing need to perform preventive maintenance and road lifts to maintain the roads, the PMC recommended \$27,700 of road improvements in 2015-2016. This amount breaks down to \$11,537 for Road 46 repairs and \$16,162 for G3 work. These dollars will come from the Road Reserve Account. Per the Association's Road Reserve Policy & Study (updated in 2014), the ESRPOA needs to maintain an end-of-period, or July 31st, balance of \$30,000 to \$40,000. To pay for the 2015-2016 road projects and achieve the year-end Road Reserve balance, the 2015-2016 Road Reserve assessment per Lot was set at \$800 per Lot.

As noted in the Treasurer's Report, \$8,500 of unspent 2014-2015 road repair funds was moved to the 2015-2016 Budget via an amendment to the Budget on July 26, 2015.

Election of Board Director: Alan Scott was nominated by the Board of Directors to fill the Director seat being vacated by outgoing Director, Philip Walters. There were

no other nominations from the Floor for the Director position. Alan Scott was elected to the Board of Directors by a vote of 18-0. Those present thanked Philip for his efforts in rebuilding the drainage system as well as his many contributions to the Association and Board.

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The meeting adjourned at 3:24 pm MDT.

Respectfully submitted,
Louise Lawson, Secretary