

PINE RIVER RANCHES LANDOWNERS ASSOCIATION, INC.
2006 ANNUAL MEETING
JULY 8, 2006

The Pine River Ranches Landowners Association Annual Meeting was held July 8, 2006, at the home of Judy Clarke, 494 Pine River Ranch Circle, Bayfield, Co. A total of 52 Lots were represented, 20 by Proxy.

Prior to the meeting, Fire Chief Richard Graeber gave a presentation regarding the growth of the department with 3 full time personnel; the increase in calls; medical calls have increased with the July 4th being a very busy week-end. He emphasized the need for better signage in the subdivision on all roads, and most importantly, at the entrance on CR 501. Addresses need to be visible. The need for an accurate phone number is essential for a reverse 911 call in case of emergency. The issue for a second exit from the subdivision remains a prime concern. The Fire Chief also offered the use of their facility for community meetings.

The meeting was called to order at 10:45 by President Jim Clay. Board members present: Judy Clarke and Pat LeRoy. Ruben Sanchez and Mark Pommier were not present. While more Landowners were signing in, Jim Clay briefly reviewed the 2005 - 2006 Highlights regarding Board activities, community activities, and a "thank you" to all who volunteered their time and talents for the benefit of our community. The 2005-2006 Highlights have been posted on the bulletin board.

Judy Clarke read the minutes from the July 9, 2005, Annual Meeting. There was one spelling correction to the minutes, Karola Hanks. The Minutes were approved as corrected.

Pat LeRoy presented the Treasurer's Report. Report is attached. The Treasurer's Report was approved as read. Jim Clay clarified one item - the road signs costing \$100.00 will be placed at the intersection of Ludwig Drive and Pine River Ranch Circle. An additional sign for Ludwig Drive at the entrance on CR 501 is in line with the Fire Chief's request that we have better signage.

Jim Clay and Judy Clarke presented an overview of the Road and Bridge Inspection Report prepared by Bruce Honisch, Goff Engineering, which all Landowners had received prior to the Annual Meeting. Additional comments included:

The Bridge Inspection Report stating that the bridge weight limit will support Fire Department equipment was mailed to the Fire Dept. per Karola Hanks' request.

The bridge was power washed by Jim McCain, Ruben Sanchez, and Jim Clay, a very dirty job. Some rust was visible and plans are to wire brush those areas and prime.

At the 2005 Annual Meeting, John Dustin had suggested that the Board prepare a multi-year road plan. This was prepared by Mark Pommier and was the basis for the Road Budget for 2006, 2007, and 2008. Jim Clay opened the meeting for questions and/or comments.

John Dustin clarified that there are 88 Lots in Subdivision 2 with 80 Lots on the west side of the river, and 8 lots along Richards Drive. His recommendation was that we protect our investment on the Lane and add the Chip and Seal; continue with gravel on the rest of the roads until such time as the subdivision is more built up. In his view, special assessments give the individual landowner more control over expenses and the opportunity to be part of the decision making.

Pat Watson referred to the Goff Engineering report which stated that the lane would have to have some road crown work prior to the application of the Chip and Seal. The crushed asphalt price,

\$7000.00 was firm but the sealer was estimated at \$1500.00.

Karen Goicoechea had spoken to the Planning office regarding the bridge and road. Pat LeRoy, who has been in regular contact with that office, shared that any road and bridge improvements would be the responsibility of the *developer* who subdivided a lot in Subd. 2 or who would need to access their subdivided property via PRRLA roads. The bridge would have to be a two way bridge, roads brought up to current county road specifications, and a second exit from the subdivision would be necessary.

David McCrillis asked what prep work would be necessary prior to installing the Chip and Seal. Jim explained that some cold mix would be brought in to fill potholes and address areas of the road where crown work would be needed.

The Proposals presented to the Landowners for approval and vote would be by paper ballot with three Landowners counting the ballots twice to verify the total, and the vote announced.

John Dustin made a motion to have a special road assessment of \$60.00 per lot for the application of Chip and Seal on the Lane. The motion was seconded. Discussion followed. Glen Watson voiced concern that the remaining money in the General Account was not sufficient to cover the cost of the preparation work. John Wickman stated that only a portion of the lane needs some work prior to the chip and seal. He has added several loads of cold mix to the soft spot on the lane, compacted it with his tractor, and after 4 plus months it is holding up well. He added that the chip and seal will prolong the life of the road and in his opinion is money well spent.

Landowners introduced themselves while the vote was being counted.

The written ballots were collected and counted. The motion was approved by majority vote Yes 37, No 13.

Jim Clay reviewed the Budget proposal with no increase and a Budget proposal with a 20% increase. John Dustin made a motion that Proposal # 2, Crushed Asphalt from the bridge to the intersection, the excess funds in the Winter Account, and the \$150.00 paid to the Secretary/Treasurer be discussed prior to the budget as these may have impact on the budget discussion. Motion seconded, passed by unanimous voice vote.

Motion was made by Chip Burkett to approve the Proposal for crushed asphalt from the bridge to the intersection of Ludwig Ave. and Pine River Ranch Circle with an special assessment of \$80.00 per lot. Motion seconded by John Wickman. Discussion followed with several Landowners expressing their concerns and referring to statements from the Goff Engineering Road Inspection Report. John Wickman, when using the road grader/maintainer, reported that 60% of the time is spent on this section of the road as it is difficult to maintain. Because of the low power lines crossing the road, gravel is dumped but not spread and has to be spread by the Association. Major concern is the increased speed with the paved road versus the gravel road. Magnesium Chloride had been used in the past on the gravel roads. Motion was made to move to the paper ballot, motion seconded. Motion passed by voice vote.

The motion for Crushed Asphalt from the bridge to the intersection was defeated - Yes 20, No 28.

With the current Senate Bill 05-100 signed into law the Association must adhere to the By-laws and CC&Rs, especially the accounting methods and record keeping. CC&R #24 states that 30%

of the annual assessment be transferred to the Winter Account to be used for winter season road and bridge maintenance. In recent years those monies have not been spent and an accumulation of funds remains in the Winter Account. The Board proposes a modification to CC&R #24: After April 30th, the end of the normal snow season, 20% of the annual assessment from Subdivision 2 plus the \$500.00 minimum account balance be retained in the Winter Account. The Board of Directors may transfer the remaining funds to the General Account *if* there is a need for the funds.

Example:

Subd. 2 Annual Assessments 2006	\$15042.00
	<u>X 20%</u>
	\$ 3000.00
Plus Minimum Balance	<u>500.00</u>
Funds to remain in Winter Account	\$ 3500.00*
Winter Account Balance 7-6-2006	\$ 6650.39
	- <u>\$ 3500.00*</u>
Funds available for transfer to General Account, if needed	\$ 3150.39

The funds remaining in the Winter Account (\$3500.00) would be available for any bridge work and/or winter season road maintenance such as snow removal until the end of the fiscal year which is December 31st. Whatever the Winter Account Balance is January 1st, those funds would remain in the Winter Account. Generally, most of the assessments for Subd. 2 are received by late January. At this point 30% of the collected assessments from Subd. 2 would be transferred to the Winter Account. When the remaining assessments are received, 30% of that total would be transferred to the Winter Account. At the current assessment, if all assessments in Subd. 2 are paid, a total of \$4500.00 would be transferred to the Winter Account. If there are no additional expenditures from the Winter Account for the rest of the year, the total funds in the Winter Account would be \$8000.00. Without this proposed modification the Winter Account would continue to grow. This proposal will give the Association the flexibility to use the excess funds for other Association expenses such as road maintenance. This could have an impact on whether to raise assessments.

John Dustin made the motion for said proposal, second by Jim McCain. Discussion followed which primarily addressed whether or not there would be funds available for snow removal before the end of the year. Over the years the number of residents has increased as well as the dollar amount of annual assessments. The intent of CC&R#24 was to insure adequate funds be available for winter road maintenance. The Board will follow the procedures specified in the CC&Rs to change a CC&R if this proposal is approved. Vote is by paper ballot.

The Proposal to amend CC&R #24 is approved Yes 43, No 6.

A proposal to allow the Board to raise the annual assessment up to 20% was moved and seconded. Discussion followed with Jim Clay addressing the different budget items. 20% seems excessive to some. Some are on fixed income and an increase would pose a problem. Some questioned if there would be an increase every year. One goal of the Board is to have enough money to adequately finance road work. The Board has been operating on a shoestring for years and the Association is lagging behind on having enough money to take care of the roads, and a 20% increase seems appropriate. Volunteers are working numerous hours using the road grader and filling potholes with no cost to the Association because the money is not available to hire the work to be done. The 20% suggested increase is a ceiling only and the Board will re-evaluate

the 2007 Budget since the proposal for Crushed Asphalt failed and there is a budget item for Chip and Seal included in the 2007 budget. There being no further discussion regarding the budget or increase, a paper ballot was requested.

The motion to increase the 2007 annual assessment up to 20% passed.

Pat LeRoy brought to the Association's attention that there was neither a By-law or CC&R to cover \$150.00 payment to the Secretary/Treasurer. After some discussion, a motion that there be no payment to the Secretary/Treasurer was made. Motion seconded, motion passed by voice vote.

There were six nominees for Board of Directors. Motion to close the nominations was made, motion seconded. Approved by voice vote. Vote for Board of Directors was by paper ballot. Board of Directors for 2007 are: The team of Jim Clay/John Wickman, Chip Burkett, Jim McCain, Vicky Mullins, and Pat LeRoy.

Nancy Young presented information from Mydurango.com regarding DSL. Applications were made available. Answers to questions will be posted on the Association's webpage that she has designed: PineRiverRanchesLOA.com. The Minutes from the Annual Meeting will be posted. Please check the webpage for updates on DSL, Association news, notices for meetings, etc. Nancy is volunteering her time, and she and Pat LeRoy are listed on the contact page.

Karen Goicoechea addressed the issue of a second emergency exit from the subdivision and noted that road that goes to 502 would be an option. She suggests that the new board secure a professional landscape service to mow the grass monthly during the spring and summer months, and trim the trees along the road.

Jim Clay reminded all that fishing along the river and pond is for residents, *accompanied guests*, and tenants, with access to the river on the west side of the river; use catch and release; barbless hooks. He is requesting donations for the fish that were stocked in June. He is accepting donations or they may be given to Pat LeRoy.

The Monsoon has started, people are leaving or seeking shelter, and lunch is ready. The remaining items for discussion are tabled. Meeting is adjourned at 1:45p.m.

Thanks to Judy Clarke for hosting this meeting; the rain soaked barbequers Jim McCain and John Wickman; and Ruben Sanchez's friend Johnny for all of his assistance.

Submitted by:

Pat LeRoy, Secretary/ Treasurer

July 11, 2006

Note: We had some technical difficulties with the sound system. Not all comments were audible.