**AGATE CREEK PRESERVE HOMEOWNERS ASSOCIATION**

**MINUTES OF THE ANNUAL MEETING OF MEMBERS**

**OCTOBER 12, 2011**

The Annual Meeting of the Agate Creek Preserve Homeowners Association was duly called and held beginning at 3:00 p.m. on Wednesday, October 12, 2011 at the offices of Wells Fargo Bank, Steamboat Springs, Colorado.

Ted Swain, President of the Association served as Chairman and Rick Dowden, Secretary of the Association, recorded the minutes.

The Chairman opened the meeting and asked for roll call of members, which showed the following:

Members present in person: Russ Atha, Rick Dowden, Nancy Jarchow, Joe Robbins, Ted Swain and Cheri Trousil.

Members present by proxy: Randy and Connie Dean, Jim and Joanne Doggart, Ken Gold, Pat and Jennifer Hezmall (two lots), and Philip and Sheila McClure. The proxies were ordered filed with the Minutes of the meeting.

Absent: William Keith, Peter and Kim Kreissig, and Thomas W. Oliver.

Present by invitation: Medora Fralick, The Commercial Property Group, administrators for the Association.

The Secretary announced that there was a quorum present, with 13 of the 16 members present either in person or by proxy.

The Secretary then presented the Certificate of Mailing of the Notice of Meeting and said that the Notice had been duly sent to all Members of the Association both by United States mail and by email. The Secretary’s Certificate together with a copy of the Notice were ordered filed with the minutes of the meeting.

The Chairman then turned to a reading of the minutes of the 2010 Annual Meeting. The Secretary reported that copies of the minutes had been distributed to all members and on motion duly made, seconded and unanimously adopted, reading the minutes was waived and they were accepted as written.

The Chairman then asked Joe Robbins, the Association’s Treasurer, to present the financial report. Mr. Robbins did so and noted that the Association’s financial situation needed some attention as reserves were quite low and in 2010 the Association operated at a loss. He then reviewed the recommended budget, which had previously been distributed to all members of the Association, and compared it with 2010 actual expenditures. He noted that this was the first year where the budget was reflecting the decisions made at the 2010 Annual Meeting regarding billing for water on a metered basis and he reviewed carefully the Board’s recommendations as to how the water system should be funded. That funding, he explained, was divided into three segments:

1. Water Base Costs, which were designed to include costs generally attributable to the system but not totally dependent upon usage but inured also to the general good of the Association and its members. That budgeted amount came to $12,170 and in his proposal would be billed equally to all members and other users based on number of taps.
2. Water User Costs, which were designed to include those items relating to the actually delivery of water, such as for example the electric costs of running the pump. Those costs were budgeted at $10,8821 and the plan is to have those covered by the water usage charges.
3. Water Reserve, which was designed to build a reserve against future costs and which was arrived at in consultation with Bruce Thompson, our Water Manager, and Mary Andre, our consultant from CDC. Those costs would be billed equally to all members and other users based on taps. That amount was budgeted at $15,000.

There followed a discussion about the proposed budget and the financial results for the 2010 fiscal year. One suggestion which was made was that the reserve currently designated as a water reserve in the budget should instead be a general reserve which could be called upon in any special situation, such as for example road needs.

Adoption of the budget was them moved and seconded, including the suggested revision of the reserve to become a general reserve. Following discussion the motion was unanimously adopted. The Treasurer was asked to meet with our Association’s administrator, Medora Fralick, to determine just how charges should be billed, it being decided also that billing should continue on a quarterly basis.

The Chainman stated that the next item for action was the election of up to six (6) Directors to the Executive Board, each to serve a one year term. Following discussion and upon motion duly made and seconded the following Members were nominated to serve as members of the Executive Board for the ensuing year and until their successors are elected and qualify: Russ Atha, Randy Dean, Rick Dowden, Bill Keith and Ted Swain. Those members were unanimously elected.

The Chairman then pointed out that it was a requirement of the Meeting that it establish the date for the first meeting of the newly elected Board, which had to be within 10 days of this meeting. The date of October 18, 2011 was chosen, as was the time of 4pm. Choice of location was left open until the Secretary could ascertain if anyone would need telephone conferencing facilities for the meeting.

The Chairman then moved to the report of the Water Committee, which was presented by Nancy Jarchow, its Chair. She reported that during the preceding year:

1. The Court had ruled in favor of the Association as to ownership of water rights claim to which had also been made by Humble Ventures.
2. The conveyance of the water system from Humble Ventures was almost complete.
3. All homes in Agate Creek Preserve now had water meters and although billing based on meter reading would not begin until January 1, 2012, the readings themselves have already begun.

1. Work had been done with Bruce Thompson and Mary Andre to prioritize expected water system needs.

A general discussion as to the condition of the road followed, and Russ Atha was requested and authorized to contract for the filling of cracks in the road, without which it was felt the road would face significant degeneration over the course of the winter.

The Chairman then reviewed the cattle grazing program, and noted that fence repair had been necessary after the harsh winter and heavy snow, but that that had been completed and that cattle had arrived for grazing.

The Chairman asked if there were any more matters to come before the meeting, and there being none, the meeting was thereupon adjourned.

Respectfully submitted,

Rick Dowden

Secretary