

Approved

AGATE CREEK PRESERVE HOMEOWNERS ASSOCIATION
MINUTES OF THE MEETING OF THE EXECUTIVE BOARD
JULY 18, 2012

A regular meeting of the Executive Board of the Agate Creek Preserve Homeowners Association was called to order by Rick Dowden, President, on July 18, 2012 at 3:30 pm at the conference room of Commercial Property Group.

In attendance were board members Rick Dowden, Ted Swain, Russ Atha, Bill Keith, and Cheri Trousil. Also present were Joe Robbins, Treasurer and Nancy Jarchow, Secretary. Quorum was established. Rick presided and Nancy acted as secretary.

First order of business was to approve the minutes of April 18, 2012. Ted motioned to approve, Russ seconded. Motioned was unanimously approved.

Treasurer's Report. Joe gave an overview of our income and expenses, to date. Water expenses are in line with anticipated costs. We have collected \$12,500 of the \$15,000 water reserves. It was noted these reserves are not a part of the general reserves. They are specifically designated for future repairs and capital expenditures for the water system. \$4,044 from these reserves was paid to Nordic Excavating for installation of a shut-off valve in the water pipeline located outside the pump house.

General reserve assessment is \$8,000. The HOA has been reimbursed for legal fees from participating homeowners related to agricultural matters. Snowplowing costs were down this year. \$8,000 had been budgeted with just under \$5,000 spent due to low snowfall. Road maintenance costs are over budget by \$16,928 due to an unforeseen assessment for repair and maintenance to Elk Lane. To date, we have \$65,115 in current assets and reserves. Bill asked if projected billings are on target. Joe said all homeowners paid to date.

Roads. Rick reported on the recent assessment for repairs and paving for Elk Lane, which is a private road that accesses several subdivisions including Agate Creek, Country Green, Spring Green and Steamboat Pines. Bill asked how the assessments for Elk Lane are calculated. Steve Downs of the Steamboat Pines HOA provided each association with an extensive summary for all expenses for these much needed improvements. Rick said he would ask Steve for a copy of the details of the formula. These expenses have been historically shared by an informal, verbal agreement among the HOAs.

Rick and Russ explained their understanding of the agreement: assessments are

based on the total number of houses, prorated according to distance/ portion of road used from the entrance of Elk Lane. Since we use less of Elk Lane to access our subdivision, cost to us is lower than those homeowners above us. We were charged \$1,230 per lot/ \$19,680 total to the HOA. This has been paid in full by our HOA. These repairs were not anticipated therefore, we are over budget on road maintenance by approximately \$17,000.

Rick suggested three options to pay for this deficit: 1- assessment; 2 – pull from assets/reserves; 3- combination of those two. A discussion followed. Each officer and board member in attendance was solicited for their recommendation. Motion was made and unanimously approved to pay for the additional road costs from our assets/reserves, not including water reserves. It was suggested that in the future we work with Steve to anticipate future Elk Lane assessments.

Bill commented that many of the cracks that have been repaired in Dakota Ridge (where he is also a homeowner) have cracked, again. Joe, Rick and Russ explained that any road is a “work in progress” and we will never be finished repairing them, one way or the other.

Generator. Rick had inquired if we should have a back-up generator for the pump house for fire protection, in the event we may have to continually pump water during an outage for fire control. Nancy had checked with Bruce Thompson who noted we have had very few outages in the past, and YVEA is very quick to respond to restore power. He felt that although it's always good to have back-up, costs to install, which would include a bypass to the grid, would be very expensive. Joe confirmed he's had many experiences with YVEA in similar situations with the same results. It was agreed not to install a back-up generator, at this time.

Water. An insurance rating survey was recently conducted by the Insurance Service Office (ISO), which sets standards for maintenance programs and record keeping for HOA water systems. A higher rating could result in lowering our insurance premiums. Bruce Thompson, water administrator expects to learn of the results from our fire marshal in the upcoming weeks. Overall, things are going well with the water system. Bruce requested a new sodium hypochlorite drum pump: \$125, and a chlorine pump rebuild kit: \$96. Nancy will ask Bruce to recommend any other repairs or replacements he determines may be necessary in the near future and to let us know if he thinks we should have the tanks/vault cleaned again this year.

Nancy and Joe consulted with Rod Branstetter of Aztec Drilling regarding the potential merits of drilling a ground water well to replace the current infiltration gallery as a possible means of reducing mineral content in the main water supply. Water resource engineer Erin Light confirmed we are allowed a replacement well permit. Cost to drill was estimated to be up to \$7,000 for a test well. Final costs, which include casing and pump are estimated to be up to

\$15,000. Should we decide to use the replacement well, we would be required to abandon the original well and have an augmentation plan. Rod said today's cost for individual home filter systems are about \$6,500. Rick and Ted commented there was a notable improvement to their home systems since the tanks and vault were cleaned, last fall. No further action will be taken at this time.

Rick noted meter readouts for second quarter show almost all homeowners are within the bottom tier water usage, which typically increases in summer due to irrigation.

Bylaws. Rick had suggested making changes to the Bylaws regarding director attendance and penalties. Nancy commented that attendance will be much easier now that we have arranged for teleconferencing, allowing any director or member who cannot be physically present to participate in meetings at very cost effective rates to the HOA. Rick suggested we put discussion and review of the Bylaws on the agenda for the next meeting.

Nancy provided copies of our Bylaws. In addition, she handed out a Memorandum and Resolution for policy requirements by CCIOA (Colorado Common Interest Ownership Act) which had been prepared by Bob Weiss in June, 2008, and which the HOA has already paid for but which has not yet been adopted by the board. She also made a copy of a summary from Bruce Jarchow of some of the Bylaws and Colorado Revised Statutes with regard to board attendance and some other issues connected with our HOA.

Nancy explained that a recent addition to one of the CCIOA statutes requires Associations who have reserve funds to adopt a policy regarding those funds. Jason Yanovitz, an associate in Weiss and Van Sckoyk's office who had prepared the internal policies for us in June, 2008, had advised Nancy that he had already prepared the additional new policy and resolution and he would provide it to us for \$125.

Nancy suggested the board schedule a meeting in September in order to prepare for the next scheduled meeting - which is the annual meeting - in October, so the board has time to prepare and adopt the budget for 2013 and have time for adequate notification of the homeowners prior to our annual meeting in October. Rick will send an email to us to line that up.

There being no further business, the meeting was adjourned at 5pm.

Respectfully submitted,

Nancy Jarchow, Secretary