

Red Creek Ranch POA Annual Meeting

August 23, 2014

Meeting called to order at 10:05am

Board: Gary Kuzniar, President, Chani Owen, Secretary, Frank Lilley, Treasurer, Larry Gilgallon and Bob DeMarrais, Members at Large.

Website: <http://redcreekranch.org/>

Gary Kuzniar opened the meeting with a reminder that those wishing to speak please introduce themselves, be respectful and to keep questions and comments brief and to the point. Videotaping helps us to have accurate minutes. He introduced Lt. Lori Simpson of the Pueblo County Sheriff's Department who will provide security for the meeting.

Gary referenced the taxes touched on in the packet received by all property owners. There were no taxes due in 2013 even with some cattle income and with good budgeting by the Board, we should never owe taxes although we must file every year.

The Board raised the grazing fee per unit from \$12 to \$15 a month. There are presently 40 units on the Ranch. They will be leaving by December 1, 2014. The USDA recommended this number of cattle after a thorough inspection last year.

Gary introduced the new Fire Chief, Joe Dyjak, who encouraged Ranch members to attend the Fire Department Annual Meeting on September 13, 2014 at 10am at the Fire House which will include a class for residents. He announced that there are major changes in how the Department is run and that they want to reestablish a relationship with the community and invite anyone interested in participating to do so. He stated that the Fire Department is currently operating on reserve funds that will not cover the required insurance costs next year.

Members asked questions which were deferred to the upcoming Annual Meeting. Alan Lucas encouraged everyone to attend so we can get answers, see what changes have occurred and determine if we want to support the Fire Department. The Chief gave his phone number so anyone can contact him: 719-485-3874

Chani Owen reported 30 total votes comprised of 23 lot votes present and 7 proxy votes, so we have a quorum.

Gary gave the road report. This year, our 12.3 miles of road are 20 years old. Year to date, \$12,500 has been spent on road maintenance which includes 2 new culverts on Newton West and 2 repairs to Peck Creek. In the near future, two culverts will be needed on Bronquist Rd. The overgrown trees blocking the upper end of Newton West need trimming and the deep ditches need filling to make the road safe and passable. There is a new home going in at the end of the cul-de-sac on Newton West – the highest point on the Ranch – and will need maintenance not previously needed. Some of the secondary roads on the Ranch have received little or no maintenance and need attention.

In addition, we still do not have a way of removing snow from our roads in a timely manner. This is important as residents need to get to work, emergency vehicles must have access and the

longer the snow stays on the roads, the more damage occurs. Our road contractor removed snow for us once this year, but they were only able to do so because their locale did not get the snow that we did. Normally, that is not the case. We have received quotes from 2 snow removal contractors who charge \$150 per hour including transportation to and from Pueblo and they have to do their prior commitments before our roads. Gary asked if anyone had any suggestions for plowing.

The Board has discussed this problem at length. A member of the Board proposed that 7 to 10 Association members could privately purchase a suitable truck and plow and lease it to the Ranch. It would be driven by the owners on a voluntary basis so the Ranch's insurance would cover the vehicle and operator. The lease would cover maintenance and return some of the investment back to the owners. The Ranch would pay for fuel. The advantage is that we can plow as needed and stay ahead of large storms, preserve the work already done on the roads, and keep the roads passable.

Five people have expressed interested in participating and we are seeking more participation; the more participants, the lower the cost to each and potentially the ability to get a better truck. If anyone is interested, please contact Gary Kuzniar or Frank Lilley.

Frank Lilley gave the Treasure's report.

Cash on hand at the end of July was \$18,091.47. Including the contingency rollover for 2015 the Board projects an additional \$11,650 in expenses through August. This includes \$7,000 for scheduled road work to grade, water and roll the road from the highway to Lakeview. This leaves \$6441.47 to cover expenses for the last four months of the year.

On the collections side we have two property owners that have not paid their 2014 dues. They have been turned over to our collections agency. We have one property owner that owns dues from 2013 and a lien has been filed against the property.

The 2015 budget is very conservative. 93% is for road maintenance and 7% for the cost of doing business (liability insurance, postage, ink, paper, etc). The road budget is based on meetings with our road contractor and addresses the needs of the roads, not a cost of living increase. Dues for 2015 will be \$335 per lot.

Frank explained our compliance with the CCIOA requirements for Policies and Procedures. To date, the Board has passed and posted the following Policies and Procedures on the Ranch website: Collections, Conflict of Interest, Conduct of Meetings, Records, Dispute Resolution between the Association and Owners, and Adoption of Policies.

The last Policy and Procedure is Enforcement of the Covenants which could include a fine structure. Fines provide teeth when it comes to enforcement. The fine schedule would be posted on the website and the fines cannot and will not be applied selectively. The fines would apply to new violations. After the discussion there was a voice vote to include a published fine structure. Inclusion of fines was approved.

Alan suggested forming an architectural review board to avoid issues with non-compliance.

Gary announced that we need two new Board Members and asked for nominations. Gary Kuzniar and Alice Bryan were nominated. As there were no other nominees, all nominees were voted in by voice vote and approved.

Gary asked if there was anything that the members would like to discuss. The subject of the marijuana grow operations was brought up. Several people had concerns about marijuana grow operations going up on the Ranch as they are across the highway and on several of the surrounding ranches. It was noted that they do not violate our zoning under Pueblo County definition as recreational marijuana grow operations are considered agricultural. A major concern was water; however, they cannot use residential well water and may have to truck water. Our roads are not designed to sustain the continuous use of large trucks and would require additional maintenance that all the property owners would have to pay.

It was proposed that we change our covenants before someone decides to start growing marijuana on the Ranch. A voice vote was taken and passed unanimously. A committee was formed which includes Mary Johnson, Cathy Primer, Alan Lucas, Lynn Vinzant and Barbara Riley with Larry Gilgallon as the liaison from the Board. Any other member wishing to participate may contact the Board or someone on the committee.

The meeting adjourned at 11:35