

Red Creek Ranch POA Annual Meeting

August 29, 2015

Meeting called to order at 10:25am

Board: Alice Bryan, President; Chani Owen, Secretary; Frank Lilley, Treasurer; Larry Gilgallon and Mike McHenry, Members at Large.

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

Alice Bryan opened the meeting with a reminder that those wishing to speak please introduce themselves, be respectful and keep questions and comments brief and to the point. Videotaping will be done to assist the secretary in providing accurate minutes. Alice thanked the many volunteers who have helped out during the past year in mowing, tree trimming and trash cleanup as well as some major road repairs and stressed the importance of having volunteers willing to give of their time and talents to keep our ranch safe and clean since we have limited funds for hiring this things done.

Alice introduced the Fire Chief, Joe Dyjak, who invited those interested to participate in the Fire Department as well as attend the fundraiser later today. He reminded us that the Fire Department is primarily in existence to fight wildland fires. They are not trained nor prepared to fight structure fires. The Department is awaiting word on a grant to train 6 volunteers as medical first responders. Joe emphasized the need for property owners to mow the weeds as they are beginning to dry and will create a major fire hazard.

Quorum Count for Voting:

Chani Owen reported 26 total votes comprised of 21 lot votes present and 5 proxy votes, so we had a quorum.

Treasurer's Report and 2016 Budget Presentation:

Frank Lilley gave the Treasure's report starting with a recap of 2014. Total revenue received in 2014 was \$27,112.45. Total revenue included \$2,960 for cattle grazing that was not budgeted. Total expenses were \$26,485.23, of total expenses \$21,213.30 was spent on road maintenance. We had legal fees of \$2,491 to change our covenants restricting marijuana grow operations. The IRS also charged us \$961.32 for late tax filings for the last three tax years. Ruling out legal fees and IRS late fees, 92% of your assessments were spent on road maintenance in 2014. Cattle grazing revenue offset the legal fees, so none of your dues were used to pay for legal fees. We closed 2014 with a reported income of \$627.00.

The Financials for 2015 through June show we collected \$28,324 in assessments and had \$21,805 in expenses. We incurred another \$680 in legal fees and paid \$123 in

taxes. At the time of this meeting we have \$16,850 in the bank and have received \$4,569 in 2015 grazing fees and have approximately \$3,700 in outstanding bills that include grading and road base for Bronquist Rd. Total legal fees for 2014 and 2015 were \$3,171 and total grazing fees were \$7,529. That leaves \$4,358 of our grazing fees that will be applied toward road maintenance.

The 2016 budget has revenue at \$32,700 with \$29,700 in assessments and \$3,000 contingency from 2015. Total expenses are \$32,700 with includes a contingency fund of \$2,700 that will be carried into 2017. 90% of the budget will be spent on road maintenance. I also show \$2,000 for cattle guard maintenance. This should be the responsibility of our cattle lessee as they own the cattle guards. If the expense is not used we will apply it to road maintenance.

There was no discussion on the 2016 budget.

Road Report:

Mike gave a Power Point presentation on the road maintenance illustrating what has been done on each section and what it has cost. Mike addressed the situation with Peck Creek.

The importance of getting the Peck Creek crossing repaired was discussed and members were assured that we are working with Alan Lucas to get the culverts and equipment needed and that hopefully it would be repaired within the next few weeks. There was some discussion by the membership about the possibility of asking for donations from members to establish a fund to repair Peck Creek crossing more permanently and the importance of it being open for fire and emergency vehicles and to keep property owners' insurance premiums lower. The Board will take this matter under advisement for next years' assessment statements.

Election of Board Members:

Alice announced that we need three new Board Members and asked for nominations and encouraged members to run for the open positions if they had the interest to do so or to nominate anyone they felt would make good candidates

Frank Lilley, Chani Owen and Larry Gilgallon were nominated and seconded. As there were no other nominees, all nominees were voted in by voice vote.

Changes to the Covenants - Status Report:

Alice reviewed the attempt to clarify and change the covenants in 2014. Alice reported that there have been no changes to the Covenants or the By-Laws since the last annual meeting and that the documents that the Association operates under are as shown on the web site. Also that during the process of attempting to amend the Covenants it was discovered that the Association is not under the CCIOA laws (with the exception of 3

sections) and, therefore, we must have 75% of all lot owners vote yes in order to make any changes to the Covenants.

Open Discussion:

Alice asked if there was anything that the members would like to discuss. The subject of the marijuana greenhouses and grow operations was brought up. Several people had concerns about greenhouses 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 both medical and recreational marijuana is are considered a use by right in agricultural zoned areas. A major concern was water; however, they growers are not allowed to cannot use domestic well water for their grow operations and would have to truck water. Our roads are not designed to sustain the continuous use by water trucks and would require additional maintenance.

It was suggested that since we cannot ban the growing of marijuana on the ranch that we try to work with any prospective growers and that the Board take under advisement the creation of some guidelines that we attempt to have growers abide by in order to maintain the integrity of our residential neighborhood and to avoid conflicts with neighbors.

The meeting was adjourned at 12:45pm

Frank reviewed the cattle lease. There are presently 66 cow/calf pairs and two bulls. They will be on the Ranch until early December. The Ranch will receive \$4,569.60 for the cattle over this year.