

**STAGECOACH PROPERTY OWNERS ASSOCIATION**

Meeting of the Board of Directors  
Oak Creek Community Center  
Steamboat Springs, Colorado  
August 19, 2017

Board Members Present: John Troka (President), Rob Walker (Vice President), John DiNicholas (Secretary), Seann Conway (Treasurer), Zed Ogle, Vicky Weber, Matt Kaufmann, Tom Watts and Barbara Houston.

Management Present: Bryan Ayer, Association Manager

Owners and Guests Present:

Ted Ferrick – Meadowgreen, Sky Hitch 1 and South Shore

Bryant Scrafford – Black Horse II

Larry Calistro – Overland

Mark and Melissa Sheridan – Black Horse II

Heather Szucs (Wharton) - South Shore

John Troka called the meeting to order at 9:00 am.

With 9 Board Members attending, a quorum was present.

**Approval of Board Meeting Minutes and Ratifications:**

Approval of July 1, 2017 Board Meeting Minutes

**Motion:** Rob Walker moved to approve the minutes as written. John DiNicholas seconded. The motion passed without dissent.

Approval of July 23, 2017 Board Meeting Minutes

**Motion:** John DiNicholas moved to approve the minutes as written. Zed Ogle seconded. The motion passed without dissent.

**Member Comments:**

There were no member comments at this time.

**General Business Summary:** Bryan Ayer provided an update on Association business matters.

**Nordic Trail Parking Lot Upgrades:** The upgrades of a new split rail fence and additional gravel is almost complete. The existing community burn pile still lies just outside the parking lot and will be burned this Fall. The Manager will look into possibly moving this pile farther away from the fence with more direction on how and what is allowed to be dumped.

**Forest Management plan and Beatle Kill mitigation:** The manager has been in touch with Sharon Kyhl of Natural Resource Solutions Group concerning an overall forest management plan. The manager has taken her on a tour of the SPOA area and is working towards a three-phase project. 1) Summary of forest issues within SPOA and recommendations for mitigation; 2) Development of an implementation plan which will include the mitigation of private lots; and 3) Actual implementation of the plan.

**South Shore BLM Update:** A fence has been completed on the SPOA common area that borders the BLM at the top of South Shore. Since it has been built, the manager has received notice that the fence lies within the county ROW and needs to be moved. The manager has contacted the survey company and they are going to mark the ROW line so that the fence can be moved to the correct location. The manager has been informed that the BLM has also done their own survey, however the Manager has not heard any conclusions as of yet.

**New cluster box at South Shore:** As of the meeting, the concrete has been poured in place to add an extra cluster box to the South Shore area. A survey was done to make sure it was not in the right of way and the new boxes have been ordered.

**Bylaws Change regarding Procedures for processing resubdivisions requests:** It has recently been determined that a previously adopted change to the Associations' Bylaws is not reflected in the current posted version of the Bylaws. At the Member Annual Meeting of July 14<sup>th</sup>, 2001, the ownership approved an amendment to the Bylaws by a vote of 491 for and 267 against. The bylaw is known as Article XIV: Procedures for Processing Re-Subdivision Requests at Stagecoach Subdivision, Routt County, Colorado and lays out a process that provides owners with a procedure for consolidation and/or re-subdivision of property within SPOA. This amendment has been added to the Bylaws and published on the Association's website.

The manager presented a letter from Pamela Kirk who owns lot 71 in Meadowgreen and is interested in dividing the large lot into two smaller lots. As the process is laid out within Article XIV, the manager will communicate with Ms. Kirk to have her follow this procedure.

**ACC/CCR/Rules:**

**New construction:** There are currently 3 house applications. Two in the formal process and one in the informal review process. The applications are for lot 3 Blacktail, lot 105 Rock Point Court and lot 3 in Youngs Peak.

Covenant Violation: Bryan presented a summary of ongoing violations. There are still two ongoing violations that are in need of review from the Rules Committee. The Rules Committee is made up of the three Board Members that are in their last year of their term. There is still part of an illegally built cabin on lot 87 in South Station III. There is also an issue with too many buildings on lot 47 in Eagles Watch. The new rules committee members are Barbara Houston, Zed Ogle and Rob Walker. The manager will put together a summary of these violations and send it to the new rules committee for their review.

Accounts Receivable: The A/R currently shows 272 lots that owe a total of \$48,241 as of August 18, 2017. In comparison on August 18, 2016 there were 270 lots that owed a total of \$46,062. There were 87 owners that owe more than one year's assessments. Of the 9 owners for which foreclosure action was previously approved, five owners have paid in full. The other four are still going through the foreclosure process. The five owners who paid in full also paid all legal costs associated with collection of the debt.

#### **Treasurer's Report:**

Current Financials through July 31, 2017: John Troka presented the financial report.

**Total Cash** at the end of July was \$495,182 of which \$157,942 are restricted road funds held for Horseback, Morningside and South Shore.

**Accounts payable** at the end of July was \$14,165.

**Operating income** for the first 7 months of 2017 was \$61,543. This amount reflects net operating assessments of \$57,180 and \$4,363 in other income which is predominately late fees. It is important to remember that although the Association bills and collects its annual assessment once per year, the operating income is recognized ratably throughout the year.

**Operating expenses** for the same period totaled \$55,511 and includes management fees, professional services such as accounting and legal expenses, meeting and member communication costs and common areas maintenance costs for the park and Nordic trail. All line items are running within budgeted amounts. As of July 31, 2017, the net operating fund surplus was \$6,031.

**Project/reserve income** reflects \$65,520 from annual assessments and \$189 in interest for five months of 2017. Year-to-date project/reserve spending was \$25,480. As of the end of July, \$12,952 was spent on the new Young's Peak Connector trail built by Routt County Riders and \$12,000 on consolidation and cleanup of burn piles left over from the 2012 beetle kill mitigation project. There were also additional funds spent on signage.

**Restricted Funds income** reflects \$92 of interest income earned on funds held. There are no year-to-date restricted fund expenses.

**Accounts Receivable – Collections:** Accounts Receivable as of July 31, 2017 was \$50,554.

Financial Administrative Matters: John Troka presented a list of owners more than two years in arrears.

**MOTION:** Tom Watts made the Motion that the owners as listed, all being delinquent more than two years in payments of their assessments, be referred to the Association’s attorney for the issuance of final collection demand letters and recordation of liens (if not currently recorded with Routt County) prior to Board’s consideration of lien foreclosure. John DiNicholas seconded. The Motion passed without dissent.

Transfer of Excess Operating Funds to Project/Reserve Funds:

**MOTION:** John Troka made a Motion to transfer excess operating funds of \$9,625.62 to Association’s project/reserve funds. Amount to be transferred represents the amount of the December 31, 2016 Operating Fund balance in excess of 10% of the 2017 Operating Budget which is held for unexpected budget contingencies. Vicky Weber seconded the Motion. The Motion passed without dissent.

Close 2016 and prior year Project/Reserve projects that have been completed or cancelled:

**MOTION:** John Troka made a Motion to close 2016 and prior year carry over projects that have been completed or cancelled. Rescind \$27,913 of authorized spending in excess of amounts actually spent on the following projects of: Community Infrastructure – seasonal road area closure signage (\$1000), Road Maintenance & Repair – Colt Trail (\$2,718), Legal – property foreclosures (\$19,595), Community Development – South Routt Development – DOLA Grant (\$3,000), Road Improvement – interest surveys for Halter & Shay Way (\$100), Road Maintenance – Hoch Eye Way (\$250), Wildfire Mitigation – legal costs to prepare/update liability waivers (\$500), Common Area Maintenance – survey of common area in South Shore (\$750). Zed Ogle seconded the Motion. The Motion passed without dissent.

**Agenda Change – Discussion of Water Well Permitting in Stagecoach:**

In recent days an issue has come to the attention of SPOA and its homeowners in regards to the permitting of water wells. The Colorado Division of Water Resources which controls the permitting of water wells in the state recently placed a temporary hold on issuing new well permits in Stagecoach pending their review and decision on the appropriate well permitting allowed in the area under state law. The water in the Yampa River basin is over appropriated and well permits in subdivisions approved after July 1, 1972 must qualify to be “exempt” or the well owner must provide a water augmentation plan from a valid water source. This is something that has not been occurring with the individual owner wells that have been previously permitted. The State is working to better understand the current situation before deciding what their final position will be on issuing new permits. This issue and future decision will most likely affect the Morrison Creek Water and Sanitation District in that the wells are in their name, as well as impacting the intergovernmental agreement with Routt County which governs the use of vaults at Stagecoach. As a result of this announcement from the CDWR, as of August 17, 2017, the MCWSD has placed an immediate moratorium on the vault program and exempt well permit program of the District under the County-District agreement. The General Manager of the District shall not execute any Land Owner Agreements tendered to the District pursuant to the County-District agreement until adoption of a further resolution by the Board of Directors of the District specified otherwise.

**MOTION:** Tom Watts made a Motion to authorize funding from the Project/Reserve Funds in the amount not to exceed \$20,000 to pay an attorney to advise SPOA on how to proceed further with the CDWR, the MCWSD and Routt County on the permitting of wells in Stagecoach and the resulting moratorium on vault permits. Vicky Weber seconded the Motion. The Motion passed without dissent.

**Old Business:**

Wildfire Mitigation:

Natural Resource Solutions Group had been hired at a cost of \$19,575 of project/reserve funding for the purpose of consolidating and cleaning up the old slash piles from the beetle kill mitigation project, to prepare them for burning in the fall and spring. At this time, they had made great progress, including separating out the large pile on Shay Way into smaller piles so that it could be eradicated.

Road Maintenance:

The manager had sent out an RFP to multiple contractors, formed by recommendations of the Road Committee, for maintenance on inadequate or failing drainage systems within SPOA. The proposed projects were 1) to replace two failing 48' X 40' culverts at the intersection on Whiffle Tee Tail and Shay Way (Sky Hitch I & 2); 2) to replace two failed 18" X 30' culverts at the intersection of Filly Trail South and CR16 (Black Horse I & 2); and 3) to grade, and road base/gravel and install two 18" x 30' culverts on Shay Way between Whiffle Tree and Cutter Trail (Sky Hitch I & IV). The manager received bids from Rock Creek Logging as well as North Routt Excavating.

MOTION: John Troka made a Motion to approve \$15,000 for project #1 with the project being awarded to Rock Creek Logging, to approve \$10,000 for project #2 with the project being awarded to NRX with the condition that the manager negotiate the mobilization fee and to table project #3 until further time that more is known about the water/vault issues. Tom Watts seconded the Motion. The Motion passed without dissent.

**New Business:**

Preliminary 2018 Budget Presentation:

John Troka presented a proposed 2018 Budget for Board discussion. The proposed budget assumes an increase to \$120 assessment and an increase in the operational fund in order to incorporate an increase in the contract fee for Steamboat Association Management, an increase in meeting cost to possibly enable the annual meeting to be held at Stagecoach instead of Oak Creek and utilities to reflect an expected fee increase for water usage for the Coyote Run Park. There is a proposed decrease in insurance costs due to preferred SAM pricing. All other line items remain the same.

The Reserve funds are estimated to end the 2017 fiscal year at \$237,000. The 2018 Budget proposal would add \$151,000 from scheduled assessments with a spending potential of \$100,000 to \$145,000 dependent upon approved projects.

Communication from High Cross Owners Association:

The High Cross subdivision separated from SPOA in July of 2016 and has since formed the High Cross Owners Association (HCOA). SPOA recently received a letter from HCOA requesting access to SPOA common areas, vacation of SPOA easements on High Cross lots, and funds from SPOA. Board members John DiNicholas and Zed Ogle are members of both SPOA and HCOA as they own properties in both High Cross and other SPOA subdivisions.

John Troka stated that due to the conflict of interest with the two Board members, any decision on the HCOA requests would be made by the High Cross Committee (composed of all non-conflicted board members) and in executive session as it involves advisory communication with the Association's attorney.

2017 Owner Survey Results:

A survey was presented at the annual meeting and also sent out by email seeking owner's feedback and input on Board priorities, desired community amenities and two possible amendments to the Association's covenants. The Board has discussed possible covenant amendments to section (m), Animals, to allow for horses, chickens and other animals; and section (f) Temporary Residences, to address the parking and storage of trailers within the subdivision which is currently prohibited per this section of the covenants.

The Board received 51 responses to the survey. There were responses from 14 of the 19 communities in Stagecoach. The results of the Survey will be published in the 3<sup>rd</sup> quarter newsletter and posted on the website.

YVEA ROW request for owner requested service in Overland:

The Board reviewed a request for an easement for Yampa Valley Electrical Association from Larry Calistro, owner of lots 114 and 115 in Overland in order for him to be able to pull electric from one of the poles in the common area over to his property. His object being to pull from the closest area possible and thus acquiring less expense. The easement would allow for a proposed underground utility line to be constructed from an existing overhead power line to the back corner of lot 118. From there it would follow the lot line to Ramuda Trail where a junction box would be installed that could potentially serve several lots and then line would cross the road where a transformer would be established for power to lot 115 or 116. Larry Calistro discussed the proposal and the Board discussed the easement and had questions in regards to how many lots this line would possibly serve as well as if this is the best route for the future. They also had concerns in regards to the life of the easement if the line was ever abandoned for electric to be brought in from another direction. At this time the Board would like these questions answered before any decision can be made on the easement.

Owner request for financial assistance on Colt road projects:

The Board has received a request for funds from Joe Dickenson that has had road work done on second Colt off of Filly Trail and Kingbolt. Mr. Dickenson has had the road widened, surveyed, re-routed to the correct location and also installed culvers and material in a low spot. The Board was presented with a cost summary of the project. It was decided to send to the Road Committee for review and to come back with a recommendation.

South Shore Electrical Project:

Tom Watts presented more information and a possible Motion on the South Shore Electrification Project that he has been working on. Tom Watts vision is to use the covenant amendment to specially assess lots that would be enhanced by the extension of an electric line and to use monies from the South Shore Restricted Funds to pay for the main switch that could eventually serve all of South Shore. There are complications in possibly using these funds for such an electrical project as the South Shore/Morningside Restricted Funds agreement is specific to use for roads and not all capital improvement projects.

**MOTION:** Tom Watts made a Motion to authorize an amount not to exceed \$6,000 from the Restricted Funds to employ Hindman Sanchez to take action with the court in order to use the restricted funds for South Shore and Morningside for the uses that are allowed for in the Horseback Settlement Agreement. John DiNicholas seconded. The Motion passed without dissent.

Tom Watts also presented a resolution outlining the special assessment that would be proposed in a vote to the 13 South Shore members, who's properties would be improved by the first extension of the electrical line. Discussion and action on the resolution was tabled until the next meeting pending new information the well and vault situation.

Executive Session:

**MOTION:** to go into Executive Session pursuant of CRS 38-33.3-308 (4)(a) to discuss matters pertaining to the managing agent's contract and the requests outlined in the letter received from the High Cross Owners Association.

After discussion of the management contract, the Manger returned to the room and the High Cross Committee, composed of all Board members besides John DiNicholas and Zed Ogle, continued in executive session pursuant of CRS 38-33.3-308 (4)(b) to discuss the HCHOA proposal. Out of the discussion a Motion was made.

**MOTION:** Tom Watts made a Motion to respond to the High Cross Proposal to eliminate and/or vacate the side lot trail easements in High Cross subject to an attorney opinion that it can be done.

Executive session was adjourned at 1:45 p.m.

Next Board Meeting: The next Board meeting is scheduled for November 18<sup>th</sup>.

**The Meeting was adjourned at 1:48 p.m.**