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President's Message

By John Troka

As we come to the end of another year and winter takes hold at Stagecoach for the next few months, the Association continues to work on critical issues and make plans for the coming year.

While there are always many issues to deal with, currently the most critical priority for the Association is the Colorado Division of Water Resources' (CDWR) temporary moratorium on water well permitting in the Stagecoach area. This temporary restriction is in place pending a final determination by CDWR as to if, and under what conditions, individual water well permits will be granted in the Stagecoach Area. In response to the State's restriction on new water wells, Morrison Creek Metropolitan Water and Sanitation District (MCMWSD) has also placed a temporary moratorium on the issuance of new wastewater vault permits. Until these moratoriums are lifted, further development on lots not currently served by the District's central water and sanitation systems is effectively prohibited.

This is a complex issue involving Colorado water law and Routt County planning and subdivision activities that have occurred over the past 45+ years. CDWR is currently working to identify and document how they will interpret and apply the applicable legal statutes to water well permitting for

existing and future subdivisions within Routt County. Once completed, CDWR will work with Routt County to determine if, and under what conditions, individual well permits will be allowed for each platted Stagecoach subdivision. The CDWR's work is expected to take several more months.

Once CDWR completes its work, MCMWSD will than need to work with Routt County to understand and address the impacts from this work. Specifically, they will need to revisit and modify the current inter-governmental agreement governing MCMWSD's role in water well permitting and the use of wastewater vaults on individual lots at Stagecoach.

Lastly, the Association will need to assess the impact of all these decisions and identify any changes that may be required of our Governing Documents. Currently our covenants prohibit owners from drilling water wells on their lots that which are not a part of the public water system. To date, all wells drilled in Stagecoach, including those on individual owner lots, have been permitted in the name of MCMWSD and are considered a part of the public system. Both the State and MCMWSD have indicated permitting in the name of the District will not be done going forward. As such, a change to the Associations permitting individual wells may be required.

As a final note on this topic, I want to emphasize that a positive resolution is in the best interest of all members of the Association. While those currently served by MCMWSD may dismiss this as only a problem for owners of unserved and undeveloped lots, there will be a direct financial impact to all property owners. If new water wells are prohibited or the conditions to obtain a permit are so restrictive that

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they are uneconomical, the property values of undeveloped lots not served by MCMWSD are likely to drop dramatically. Dropping property values will further strain the financial health of MCMWSD which is faced with increased operating costs and the need to replace its aging infrastructure. Those currently served by MCMWSD will bear an ever increasing share of this financial burden through increased property taxes and monthly service and usage fees. Just as all boats

rise with a rising tide, they all fall with a falling tide. As such, I encourage all members to stay informed and engaged with this Association in seeking a favorable resolution of this issue. The Association will continue to send out updates as they become available and will post the latest information on our website at www.stage-coach.com.

In closing, I want to thank all members for their input and ongoing support in 2017 and I wish you and your loved ones a wonderful holiday season and a joyous and prosperous new year! I look forwarding to talking with you all again in 2018.

Colorado Parks and Wildlife Propose Projects on South Side of Stagecoach Reservoir

Representatives of Colorado Parks and Wildlife (CPW) with the Board at its November meeting to discuss two proposed

projects on the south side of Stagecoach Reservoir.

The first project creates a public parking area and trailhead on the south side of the reservoir located at the termination of Arapahoe Road in the South Shore subdivision. From the new trailhead, users will be able to use the state park's Elk Run trail to connect to a new trail to be constructed into the BLM parcel which lies to the east of Stagecoach. The new trail will be available to pedestrian, equestrian

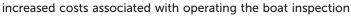
approved motorized traffic. Partnering with the Upper Yampa Water Conservancy District, the Bureau of Land Management and Routt County, CPW indicates the primary goal of this project

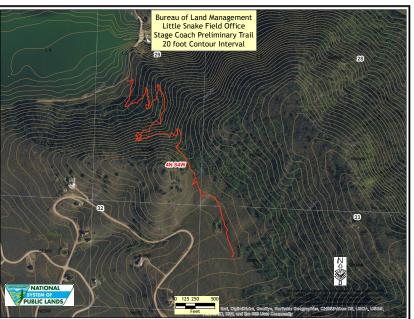
is to ensure ongoing recreational access to federal public lands. Additional goals of the project include public education

> through enhanced educational signage, the prevention of illegal trail construction, and fostering of stay the trail principles through responsible trail construction and trail use management.

> The second project proposal is for Morrison Cove boat ramp into a day use

the conversion of the area for non-motorized water craft users and other park visitors. The boat ramp would be closed to all motorized watercraft. The project is driven primarily by the





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station and the limited public use of the Morrison Cove boat ramp. CPW believes by improving the day use facilities at Morrison Cove and promoting it as the preferred access point for use by non-motorized craft, it will reduce congestion at the park's marina and boat launch and improve overall visitor safety. Anticipated improvements to the Morrison Cove day use area include expanded picnic facilities, beach and/or shoreline grass area, and a designated lake swimming corridor.

Both projects are in the preliminary planning stages and information and public feedback sessions will be held by CPW in the coming months to discuss these projects. There is also additional information on these projects in the CPW presentation materials which we have posted to our website at www.stage-coach.com

BLM Access Trail Proposal



2018 Annual Assessments are due January 1st

Owners were recently mailed a notice an invoice for their 2018 annual assessment. The annual assessment is used to promote the recreation, health, safety and welfare of

property owners in the Stagecoach community and for the improvement and maintenance of the Stagecoach common areas. For 2018 the Association's annual assessment is \$120 for each lot and provides the operating and project/reserve funds of the Association.

The annual assessment is invoiced one time and is due on January 1st of each year. Assessments not paid within 30 days of the due date shall incur a finance charge on the outstanding balance. Additional information on the collection of unpaid assessments can be found in the Association's Responsible Governance Policy documents, a copy of which are available online at www.stage-coach.com.

If you did not receive your 2018 annual assessment notice and invoice, please call the Association's community manager Bryan Ayer at (970) 875-2810 or email him at bAyer@ steamboatassociations.com.

Ability to pay Assessments online

Steamboat Association Management is pleased to announce the Owners Association Webpage which allows SPOA owners access to your account information, pertinent documents and now the ability to pay your annual assessment online.

To gain access to your online account, please type https:// resortgroup.vmsclientonline.com in your web browser and enter your account number and password.

You will find your account number and password at the top of your assessment statement included in the mailing. The account number is a five-digit number and your initial password is just to the left. You can change your password once you are logged in to your account.

You are still welcome to send in a check for payment of your assessments. If you decide to pay online, there are instructions on how to do so on the home page of the website. Please be aware that there is a nominal charge for this service of \$2.95 for an ACH payment (direct payment through your checking account) or a 3% charge for the use of a credit card.

If you have any issues with access, please contact the community manager.

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Board Adopts 2018 Operating Budget and Project/Reserve Forecast and Sets 2018 Annual Assessment

At its November meeting, the Board adopted the 2018 operating budget and project/reserve forecast as shown on pages 5 and 6. The 2018 annual assessment of \$120 per lot is based on these budgets/forecasts. The increase in the Associations annual operating budget is primarily driven by the increase in the management fee. This reflects an increase in the management company's resources specifically committed to serving the Stagecoach community as requested by the Association. Another significant increase is in our expected meeting expenses. This increase reflects the equipment and other costs associated with conducting the 2018 annual

owners meeting on-site in the Stagecoach community.

The project/reserve forecast reflects the Boards continued commitment to wildfire mitigation, development and construction of a community trail system, and the development/maintenance of basic access to all owner properties and common areas. It also ensures adequate financial resources are available as we work to achieve a favorable outcome to the water well permitting issue currently under review by the Colorado Division of Water Resources, Routt County and the Morrison Creek Metropolitan Water and Sanitation District.



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- "Trash and Cash to Moffatt County". Did you read the November Valley Voice article? We support Routt County.
- Twin is the only provider offering curbside recycling service in your area.
- Unlike our competitors, your recycling is sorted and processed at our Milner location which reduces the impact to the Environment.

Call Customer Service at 970-879-6985. We make switching easy!

Stagecoach Property Owners Association FY2018 Operating Budget

	FY2018		FY2017		
Operating Income	Budget		Budget		
Member Operating Assessments (\$52.35 of total \$120 Assessment)	\$	117,000	\$	99,350	
Reserve for Uncollectible/Bad Debt		(5,000)		(5,000)	(1)
Member Operating Assessments (Net)	\$	112,000	\$	94,350	
Other Income					
Late Fee Income	\$	4,000	\$	4,000	
ACC Fees		1,500		1,500	
Newsletter		500		150	
Total Other Income	\$	6,000	\$	5,650	
Total Operating Income	\$	118,000	\$	100,000	
Operating Expenses					
Labor & Labor Related Expenses	\$	_	\$	_	
Association Management Services	~	80,000	,	64,800	(2)
Professional Services - Accounting		3,500		3,500	(-/
Professional Services - Legal		5,000		5,000	
Professional Services - Other		500		500	
Bank Charges		250		250	
Insurance		3,250		5,750	(3)
Maintenance & Repairs		7,000		7,000	
Meeting Costs		10,000		5,000	(4)
Communications		5,500		5,500	
Office/Admin expenses		1,000		1,000	
Office Rent		-		-	
Utilities		2,000		1,700	
Donations		-		-	
Total Cash Operating Expenses	\$	118,000	\$	100,000	
Total Operating Surplus/(Deficit)		-	\$	-	

Assessment Year	<u>2018</u>	<u>2017</u>
Operating Assessment to Achieve Balanced Budget	\$52.35	\$44.45

Notes:

- (1) Based on review of aged receivables used to build appropriate AR reserve on balance sheet.
- (2) New contract with Steamboat Association Management (SAM) effective January 1, 2018. Increase reflects costs for additional services.
- (3) Decrease reflects reduced premium costs obtained by leveraging SAM's preferred pricing discounts.
- (4) Increase reflects additional costs to hold 2018 annual meeting at location in Stagecoach.

Stagecoach Property Owners Association FY2018 Project/Reserve Forecast

Note: All amounts have been rounded to nearest \$1,000 for ease of presentation	earest \$1,000 for ease of presentation Current Forecast				
Forecasted reserve/project balance as of 12/31/2017			\$20	04,00	0
Plus: 2018 Project/Reserve Funding (\$67.65 of total \$120 Assessment) 2018 Other Income (i.e., interest) Transfer to/(from) Operating Fund		151,000 - -	- \$1!	51,00	0
Less: Forecasted expenditures Forecasted expenditures are not yet approved. Approval of specific projects/initiatives requires additional analysis and discussion.					
 Common Area Development & Maintenance Wildfire Mitigation Community Infrastructure Road Infrastructure Community Development Governing Document Maintenance and Enforcement Equipment/Asset Acquisition Equipment/Asset Depreciation (Non-Cash) 	2018	\$15K - \$25K \$40K - \$60K \$5K \$30K - \$48K \$5K - \$10K \$23K - \$25K \$0K \$2K	_		
Total Forecasted Expenditures			\$120,000	to S	\$175,000
Forecasted Reserve/Project Fund Balance - 12/31/2018			\$235,000	to \$	\$180,000

Note: The reserve/project fund balance outlined above does not include the restricted road funds held by the Association for the benefit of property owners in Horseback, Morningside and South Shore. As of September 30, 2017 the total balance of these restricted funds was \$157,968

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2017 Stagecoach Real Estate Update

By Rebecca Bailey, Town & Country Properties

2017 is quickly coming to a close! Real estate activity in Stagecoach has kept pace with 2016.

Year to date, there were 29 single family homes sold (compared to 27 in 2016, and 38 sales in 2015).

Eagles Nest and the Stagecoach Townhomes saw 11 sales, ranging in price from \$195,500 to \$245,000. Prices are up from the previous year, with 14 sales, and a range of \$159,900 to \$215,000. It is encouraging to see how much the townhomes have appreciated year over year.

Wagonwheel Condos reported 7 sales in 2017, and the

same number in 2016. The highest selling price was \$175,000, which was \$10,000 above the highest sale in 2016.

The available inventory remains low for all property types. There are currently only 12 active listings for single family homes, starting at \$399,000. Four of the homes are priced over the \$1,000,000 mark. There are no townhomes or condos on the market at this time, making it a great time to sell!

Lot sales were at 66 for this year, compared to 83 sales last year, and only 29 sales in 2015. The number of active lot listings is low, at only 65, ranging from \$5,000 in South Station, to \$5,950,000 for 2,203 acres on County Road 16.

There have been a number of new housing starts in the Stagecoach area, however the exact count could not be obtained from the Building Department.

Information provided is from the Steamboat Springs MLS. It is deemed accurate, but not guaranteed. Statistics are through December 20, 2017.



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Board Candidates Needed for Morrison Creek Metropolitan Water and Sanitation District Election

The Morrison Creek Metropolitan Water and Sanitation District's biennial election for its Board of Directors is coming up in May 2018. The District is governed by a five member Board of Directors whose members serve either a two or four year term. In 2018, there are three director positions up for election; two 2 year term positions and one 4 year term position. All Stagecoach property owners are a part of the District and eligible to serve on the District's Board. The District is a critical organization and resource for our community. If you're interest in serving as a board member for the District and/or would like additional information about the election, contact the District's Manager Steve Colby by email at scolby@mcwater.org or by phone at (970) 736-8250.

Winter Reminders

Private Snowplowing on Non-County Maintained Roads

For those Stagecoach owners with property along roadways not maintained by Routt County and who need winter access to their property, please be mindful of the following guidelines when performing winter maintenance in the public right-of-way serving your property.

- The berm of snow resulting from snow removal operations is to be pushed beyond the edge of the road so that the drainage from the snow berm feeds into the ditch and off the traveled surface of the road.
- Gravel surfacing material shall not be bladed off the road.

- Leave all ditches and culvert inlets in a natural condition without snow or other material plowed into them so that the drainage system will function normally upon completion of snow plowing operations.
- All snow and ice that is removed from the road surface and ditches shall be deposited away from streams and waterways. This material is to be placed on the owner's property or a common area belonging to the Association.
- Ensure removal of snow along roadway to provide sufficient turnouts and turnarounds for emergency service vehicles.

We appreciate your adherence to these guidelines. If you utilize a contractor for plowing services, we ask that you pass along these guidelines to them.

Snowmobiling Prohibited



While snow blanketed meadows throughout Stagecoach are very tempting indeed, the use of snowmobiles is strictly prohibited in the Association's common areas and/or the public roads and right-of-ways.

Controlled Burns of Slash Piles in Southern Subdivisions

When snow and air quality conditions permit, the Association's contractor will conduct controlled burns of the hundreds of wood slash piles which continue to exist throughout the Stagecoach subdivisions. In addition to being unsightly, these slash piles pose a significant wildfire risk to our community.

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Committee Members Needed Get Involved

The Stagecoach Property Owners Association is an organization that has many opportunities to be involved. There is of course a Board of Directors and there is the ACC Committee, however the Board would like to have property owners involved as much as possible and thus help is needed in several areas. Please contact your Association Manager if any of the following possible committees sound of interest to you.

NEWSLETTER COMMITTEE

Develop articles, artwork and editorials for publication in the newsletter

COMMUNITY DEVELOPMENT COMMITTEE

Development of ideas to benefit the community of Stagecoach such as picnics and fireworks

NOMINATING COMMITTEE

For the purpose of nominating candidates for the Board election at the annual meeting

In the future we expect additional opportunities such as serving on a road and/or an infrastructure committee. Since SPOA encompasses a large area and many individual property owners, there must be individuals with an array of expertise, talents and life experiences. If you could contribute some energy and time to help out it would be greatly appreciated.

Stagecoach Express Advertising Rates

Stagecoach Property Owners Association puts out a quarterly newsletter that is mailed to approximately 1200 owners of which about 400 live in Stagecoach and another 400 more who have property in Stagecoach and live in the Oak Creek and Steamboat area. We are accepting ads to be included in our next publication which comes out the beginning of February.

The newsletter is in an 8-1/2 x 11 inch format, written in 2 columns. The ad sizes and prices per edition are as follows:

1/4 page – 3.625" w x 3.25" h\$8	0
1/3 page – 3.625"w x 5"\$12	0
1/2 page vertical – 3.625"w x 7.5"h \$15	0
1/2 page horizontal – 7.5"w x 3.25"h \$15	0

There is a 20% discount if 4 orders covering one year are placed. Sorry but we no longer do business card size due to our new layout.

Ads can be in color or in black/white and can be sent to us as hi-resolution JPG, TIFFs or PDF files. Please Email us your format.

If you would like to advertise, please contact the Association Manager:

bayer@steamboatassociations.com

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Current Board of Directors

Stagecoach's Governing Body

President

John Troka (*Term-ends July 2019*) 2890 Majestic View Dr, Timnath, CO 80547 *jtroka@msn.com*

Vice-President

Rob Walker (*Term-ends July 2018*) 22636 Commanche Road, Oak Creek, CO 80467 *walker.rob.1973@gmail.com*

Secretary

John DiNicholas (*Term-ends July 2019*) 33225 Ramuda Trail, Oak Creek, CO 80467 *johndinicholas@hotmail.com*

Treasurer

Seann Conway (*Term-ends July 2020*) 24545 Arapahoe Rd, Oak Creek, CO 80467 sconway@steamboatgolfclub.com

Barbara Houston (*Term-ends July 2018*) 23500 Sagebrush Circle, Oak Creek, CO 80467 bhouston@co.routt.co.us

Zed Ogle (*Term-ends July 2018*) 9981 Apache Spring Dr, Conifer, CO 80433 **zedogle10@gmail.com**

Tom Watts , Current ACC Chairman (*Term-ends July 2017*) 31675 Shoshone Way Steamboat Springs, CO 80467 *ttwatts@comcast.net*

Vicki Weber (Term-ends July 2019) 32456 Ute Trail, Steamboat Springs, CO 80487 email2webers@g.com

Matt Kaufmann (Term-ends July 2020) 2075 Walton Creek Road Steamboat Springs, CO 80487 mattkaufmann@mybrokers.com



The following information can be found on the association's website:

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www.Stage-Coach.com

Financial Statements

Meeting Minutes

Governing Documents

Committee Charters

Community/Common Area Documents

Additional Community Information

For other questions please contact:

Stagecoach Property Owners Association

Managed by Steamboat Association Management

675 Snapdragon Way Suite 100

Steamboat Springs, CO 80487

Association Manager – Bryan Ayer

bAyer@steamboatassociations.com

970-875-2810

Stagecoach Property Owners Association Minutes of the Annual Meeting of Members *** DRAFT ***

SOROCO High School July 22, 2017 – 9:00am

John Troka called the meeting to order at 9:05 am. He introduced all Board members present which included Tom Watts, John DiNicholas, Art Fine, Zed Ogle, Vicky Weber and John Troka. Also present was Steve Colby from the MCWSD, as well as the Manager Bryan Ayer and the President of SAM, Steve O'Rourke.

With 277 of the owners represented in person or by proxy, a quorum was established.

Approval of minutes of 2016 Annual meeting

The annual meeting minutes from July 23, 2016 were presented to the ownership. Chris Zuschlag made a Motion to approve the 2016 annual meeting minutes as presented. Doug Jones seconded the Motion.

Motion passed without dissent.

Presidents Report – John Troka:

John Troka discussed the newly adopted **Stagecoach Community Plan** developed by Routt County. The overall goal of the plan is to help foster growth in an efficient and responsible matter with consideration to the desires of the overall community. The plan not only takes into consideration those properties that are part of SPOA, but the entire area including the ski area, surrounding ranches and other possible development parcels. The plan discusses the existing conditions of water and waste water systems, roads, electric and other factors important to the overall growth of the area. It also discusses planning opportunities and current and future land use including other possible commercial centers in the area. The plan can be found on the County's website and is posted at www.stage-coach.com.

The Board continues to fund **Trail construction** projects and has constructed two trails to expand the existing trail system in the northern part of Stagecoach. Both trails were built on SPOA common area by a local trail builder, Routt County Riders, and link to the upper and lower halves of the public trail system within the Neighborhoods at Young's Peak. The Board will continue to work on developing an interconnected community trail system and welcomes and appreciates ideas that the ownership may have on this subject.

Development and maintenance of the **road infrastructure** at Stagecoach continues to be a complex issue given the disparate road conditions and large number organizations with responsibilities for maintaining various road segments in the community. Most of the county maintained roads are in relatively good condition and passible year-round while other roads are essentially overgrown two tracks trails through the forest. Although there is not a requirement for SPOA to build and maintain roads, SPOA has been working to maintain access to large areas of the community through the grading of main roadway arteries in several subdivisions including Colt Trail, Filly Trail (North and South) and Hoch Eye Way. This year the Board has funded projects to fix drainage issues that threaten roadways in critical locations by replacing crushed or failing culverts. Specifically, in 2017 culverts will be replaced at the intersections of Whiffle Tree and Shay Way as well as Filly Trail South and CR16. Areas of concern will continue to be identified and improved as needed to ensure at least a minimal level of access to owner properties and common areas of the Association.

Wildfire mitigation continues to be a Board priority. The Association has contracted with Natural Resource Solutions Group (NRSG) to assist with fire mitigation efforts. NRSG made great progress last winter and spring with the burning of the community slash pile and 21 other slash piles still located on the common areas throughout community. These slash piles are the remnants of the Association's previously funded beetle kill removal projects. This summer NRSG will be doing slash pile clean up and consolidation in preparation for burning this coming winter and spring. It is the hope that most, if not all, of the piles on common areas and in right of ways will be gone at the end of this next process. Most of the dead, beetle killed trees that remain are located on private lots. The Board will be working with NRSG on an overall forest health and fire mitigation plan which will outline options and assistance for lot owners to get these dead trees removed.

Access to the BLM land via a location at the top of the South Shore subdivision has been a subject of discussion. The general public has been using a point to access the BLM parcel by crossing a SPOA common area and a private lot. It is the Board's position that a legal public access point does not exist at this location. The Board conducted an owner meeting on April 8th to share information and gather feedback on the possible use of this location as a public access point. Based on member feedback, at the July 1st Board meeting it was decided to build a three-sided buck rail fence in order to enclose the common area with the of purpose limiting access across this area to SPOA members and their guests as well as to clearly outline and separate it from the surrounding private lots.

John Troka next spoke to a new **Neighborhood Grant Program** that is modeled after one from the town of Ft. Collins to help promote community and neighborhoods. Grants will be awarded two times in 2017 with Deadlines of May 15th and August 15th. Applications submitted after the event/activity has occurred will not be considered. Grants must be utilized for projects benefiting the entire neighborhood and will be for

no more that \$500 to any neighborhood in a calendar year. The Board hopes the program can be successful and grow along with the growth of SPOA.

A survey was presented at the annual meeting seeking owner's feedback and input on Board priorities, desired community amenities and two possible Covenant

Amendments. 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 survey will also be emailed to try to collect as much data as possible.

John Troka next spoke to the pending renewal of the Associations' management contract with Steamboat Association Management. The current contract, originally signed in June 2014, ends on December 31, 2017. After considering its options, the Board is focused on renewing the contract with Steamboat Association Management given their large staff of certified community managers, technology platform, and overall past performance with SPOA.

The president finished his report by highlighting several ways for owners to help the Association move the community forward. There are opportunities to participate on a committee, such as the architectural or road committees, being an event or project coordinator for community activities such as holiday celebrations or seasonal festivals, helping with the newsletter by being an editor or contributor or joining other community organizations such as the Oak Creek Fire Protection District or the Morrison Creek Water and Sanitation District.

Treasurer's Report – John DiNicholas:

John presented a financial summary for the current fiscal year through June 30, 2017 including the balance sheet, income statement for operations, and project/reserve spending report. The reports were highlighted with graphs to show the financial results for the past three years.

Total assets at the end of June was \$566,337. Of this balance, \$157,929 are restricted road funds held for use in the Horseback, Morningside and South Shore subdivisions.

Operating income from annual assessments for the period January through June was \$48,930 with other income (i.e. finance charges, late fees, fines, etc.) of \$4,018 for a total income of \$52,948.

Operating expenses for the same period totaled \$44,634. These expenses include management fees, professional services including accounting and legal, insurance, maintenance costs, including the grooming of the Nordic trail and the maintenance of the Coyote Run playground as well as meetings and postage.

Through June 2017, the Association's YTD **operating surplus** (income minus expenses) is \$8,315.

Project/reserve income through June from annual assessments and interest was \$56,300. YTD project/reserve spending was \$13,276 which is primarily for trail construction and wildfire mitigation projects.

Through June 2017, the Association's YTD project/reserve surplus (income minus expenses) is \$43,024.

Restricted Funds income reflects \$79 of interest income earned on funds held. There are no YTD restricted fund expenses.

Accounts Receivable: At the end of June 2017, accounts receivable was \$57,808. Thirty one (31) members who own 39 lots are delinquent 3 or more years and account for 48% of the accounts receivable balance. Of the receivables balances, 26% is for owners who owe no more than the current year's assessment. By state statute, the Association has liens on all properties where owners are past due on payment of their assessments. For owners with long outstanding assessments owed, the Association will pursue foreclosure of its liens if the property value makes it economically viable when considering the costs to foreclose versus the amounts owed.

The 2017 budget and assessment were discussed by John Troka. The assessments have been stable at \$95 for the last two years. While contributions to the project/reserve fund balance have increased in 2016 and 2017, the Operating Fund contributions have actually been reduced. In accordance the Association's covenants, the maximum allowed annual assessment for 2018 is \$120.36/lot. The final 2018 assessment will be determined by the Board when the 2018 is adopted this fall. Notice of the assessment will be sent to the ownership at least 30 days prior to the end of the fiscal year as stated in Article VII section (2c) of the Association Bylaws.

Board of Directors Election:

An election was held to fill three (3) positions on the SPOA Board, all of which were for a three year term. The three board seats up for election were held by Tom Watts, Tom Rashid and Art Fine. Tom Rashid decided not to stand for re-election and Art Fine was not eligible for re-election as he reached his two consecutive term limit as set forth in the Association's bylaws.

Candidates for the Board election identified prior to the meeting were: Tom Watts (incumbent) – Lot MF18 South Shore Matt Kaufmann – Lot 32/58 Black Horse I

The floor was opened to nominations and the following owners were nominated: Seann Conway was nominated – Lot 33 South Shore Erik Albin was nominated – Lot 56 South Station I

With no further nominations from the floor, the nominations were closed and voting for Board members occurred during the Member Voting portion of the agenda.

Member Comments and Discussion:

Steve Colby, District Manager of the Morrison Creek Metropolitan Water and Sanitation District (MCMWSD), presented himself and gave a history of the department and current plans. Mr. Colby has been the District Manager for 32 years. They have 3 full time employees. They currently serve 500 total units with 90 units on vaults that need to be pumped and then processed at the plant near South Shore. The District believes it can accommodate two to three times as many units as is being processed now. One of the current difficulties is monitoring of the vaults. In the past 5 years they have been rehabilitating sewer lines with a process of "Cured in Place Piping." Currently 15,000 feet of pipe has been done. They are working on acquiring a screw press to allow for a more cost effective handling of sludge. Acquisition and installation of the press is expected this coming winter. They are also working on a backup power plan for the lift station in Meadowgreen.

The District is in the final steps of obtaining approval for its augmentation plan which helps ensure an adequate supply of water for the District's residents. The plan will depend mostly on ground water supply as utilizing the District's surface water rights would require construction of a water treatment plant. Currently four out of the eight wells that MCMWSD has drilled are in use. When approved, the plan allows the District to drill additional wells in and around the Stagecoach area.

For owners interested in following MCWSD, they have a website at www.mcwater.org. They also meet the 3rd Thursday of every month at the offices of Sharp, Steinke and Sherman, 401 Lincoln Avenue in Steamboat Springs. They also now offer the option for online payments on the website.

John Troka gave a brief update on the proposed Stagecoach Mountain Resort project. The latest information the Association has is the project developers continue to seek financial support and they are working towards a target closing date of August 31st.

Jeramiah Arnold, owner of lots 6 and 7 in Black Horse I, spoke to the ownership regarding a newly formed group in the valley named the South Routt Recreation Association. The group was formed in response to the South Routt School District moving to a four-day school week. The main goal was to provide opportunities for kids on Fridays. He stressed that parents do not have to have kids in the district or be a member of the district for kids to participate. The ultimate goal is to continue to provide recreational opportunities for kids in South Routt. The group has a ninemember Board and can be contacted at southrouttrecassn@gmail.com.

There is an upcoming Forest Service project on Lynx Pass that is almost through the bidding process and will most likely begin the summer of 2018. They will be mitigating the wildfire danger in area covering 340 acres and pulling out over 12,800 cords of wood.

John Troka presented a 2017 Property Tax Valuation Summary based on information recently released by the Routt County Assessor. The summary reflects current property valuations based on sales activity from July 2014 to June 2016. Overall sales were generally up for developed residential lots and mostly down in for undeveloped vacant lots. Undeveloped 5-acre consolidated parcels are valued by the County at \$51,000. These same parcels were valued at \$70,000 in 2015. John Troka informed owners that for those interested in consolidating lots to allow construction of a residence, it is best to postpone the lot consolidation until they are ready to actually build as property taxes on consolidated parcels is significantly more than the tax on the individual lots.

Member Voting

Ballots were given to each member as they entered the annual meeting and completed registration. Member ballots reflected any proxies that individual owners had been given so that one ballot included all of an individual's votes.

There being no additional items from the floor to be voted upon, members were asked to complete their ballots for the election of Board members. Members were instructed to vote for three (3) individuals out of the four (4) candidates. As per the Bylaws, the persons receiving the largest number of votes shall be elected and cumulative voting is not permitted.

The ballots were collected and counted by representatives of Steamboat Association Management.

The results of the election to fill the three Board seats were as follows:

Tom Watts 187 votes
Seann Conway 185 votes
Matt Kaufmann 156 votes
Erik Albin 3 votes

Having received the largest number of votes, Tom Watts, Matt Kaufmann and Seann Conway were elected to fill the three Board positions for three-year terms expiring at the annual meeting in 2020.

Meeting Wrap Up:

The Board holds Quarterly Board meetings and the dates are posted on the Association's website. Meetings are typically held on Saturdays from 9:00 a.m. until 1:00 p.m. All members are welcome to attend.

2017 Annual Meeting:

The 2017 Annual Meeting is tentatively scheduled for July 21, 2018. Location to be determined.

All members were thanked for attending the annual meeting and invited to stay for a BBQ lunch and to enjoy some social time with their Stagecoach friends and neighbors.

MOTION: To adjourn the meeting. Motion was seconded and was passed without dissent.

Meeting was adjourned at 11:34 a.m.

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 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.

<u>Forest Management plan and Beatle Kill mitigation:</u> 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.

<u>New cluster box at South Shore:</u> 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 14th, 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 resubdivision 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.

Stagecoach Property Owners' Association

<u>Covenant Violation</u>: 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:

<u>Current Financials through July 31, 2017</u>: 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.

Stagecoach Property Owners' Association

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

<u>Financial Administrative Matters:</u> 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.

<u>Transfer of Excess Operating Funds to Project/Reserve Funds:</u>

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.

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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.

Stagecoach Property Owners' Association

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 \$100,000to \$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 3rd 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 is 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 he 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 18th.

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