

STAGECOACH PROPERTY OWNERS ASSOCIATION
Minutes of the Annual Meeting of Members
SOROCO High School
July 20, 2019 – 9:00am

DRAFT

John Troka called the meeting to order at 9:05 AM. He introduced the Board members present which included himself, John DiNicholas, Kayleen Cohen, Scott Okerstrom and Kate Rachwitz. He announced this is his last term, as required by the Bylaws, which allows for 2 3-year elected term limits. He also noted that Vicky Weber sold their home and her chair on the Board of Directors is vacant. Also present was Community Manager Bryan Ayer, Sean Lacy, Vice President of Resort Group, and Judy Wagar, Association Operations Administrator for Mountain Resorts.

With 249 of the owners represented in person or by proxy, a quorum was established.

Approval of Minutes of the 2018 Annual Meeting

The annual meeting minutes from July 21, 2018 were presented to the ownership. Property owner Scott Hummer made a motion to approve the 2018 annual meeting minutes as presented. Property owner Chris Zucshlag seconded the motion. Motion passed without dissent.

President's Report – John Troka

Covenant Amendments Update: The amendments to the Declaration have been discussed at annual meeting since 2016. Owners were surveyed and four specific topics rose to the surface. The covenant amendments were drafted and mailed to all SPOA property owners with a ballot for voting. Proposed amendments include:

- **Water wells for domestic use** for which a permit is obtained from the Colorado Division of Water Resources may be drilled on a residential use and shall not be used to water livestock, watering gardens or lawns. These are titled “exempt” and no water rights are conveyed with the permit. Morrison Creek is trying to extricate themselves from owners trying to get water wells drilled.
- **Domestic pets and a maximum of 10 chickens** may be kept on a lot with a residence subject to Routt County's regulations on pet safety and licensing and pet control and meet the guidelines for housing the hens. No roosters are allowed.
- Allowing for not more than (4) **riding and pack animals** may be kept on a Lot with an existing residence with an area of (5) contiguous acres or more and consolidated through the county. Specific associations are designated for this allowance. This amendment defines stables and stall requirements and minimum area requirements for the horses, llamas, mules and burros.
- **Trailers and Recreation Vehicles** - The proposed amendment is for keeping one trailer outside of enclosed space with guidelines for what will be allowed. There are three sections to the proposed amendment. 1) A temporary residence will be allowed during construction after issuance of a building permit for a residence and written approval from the Association. Temporary residences that would be allowable are one motor home, camper, tent, teepee or yurt on the lot during the active construction for not more than 180 days. 2) Owners whose guests arrive in a motor home would be allowed

for no more than 21 days per year. 3) the last part of this proposed amendment is no trailers of any type, including, but not limited to, mobile homes, campers, cargo, box, flatbed and boat shall be parked or stored on, or about any lot unless completely contained within a garage or ancillary building. For Lots with an existing residence, one (1) trailer whose purpose is sporting or recreational may be parked outside of an enclosed space provided it is parked in the driveway or to the side or rear of the residence and for any other area, location must be approved by the Association.

Ballots were counted and results are as follows:

- Allow Water Wells – 1515 votes cast – 955 owners voted yes – 92.5%
- Allow Chickens – 1511 votes cast – 952 owners voted yes – 65.6%
- Allow Pack Animals - 1512 votes cast– 953 owners voted yes – 71.8%
- Temp Residence-Trailer – 1510 votes cast – 952 owners voted yes – 77.4%

Property owners were thanked for the excellent response to this ballot. The State of Colorado recognizes how challenging it is to get 100% response from owners, so there's a process that allows the Association to petition the court for approval by showing that the lot/unit owners of more than 50% of the number of affirmative votes required have voted in favor of the proposed amendment. In the case of SPOA, the requirement is 750 affirmative votes.

A court hearing is scheduled for 4:00 p.m. August 16, 2019 to approve these amendments. Altitude Law has sent a copy of the petition to all SPOA owners to keep everyone updated with the process. Once the petition has been approved by the courts, they will be recorded and will become part of the governing documents.

Water Wells Discussion – Once the petition is recorded, Morrison Creek will convey ownership to those owners whose well permits are owned by Morrison Creek for only those wells on individual lots. These are exempt wells and no water rights are conveyed. This water is only for indoor use only. It was conveyed to the members that due to these water wells being in house use only, water supplied for chickens or for pack animals would have to be provided by a different source, such as hauling water to the residence. Older well contracts from 2006 forward also state this water is for indoor use only. Owners were encouraged to review their well certificates. A representative from Morrison Creek clarified that previously granted well permits that were in the districts name will be conveyed to the owner.

ACC Policies – John Troka discussed the current and proposed ACC policies. The procedure for adoption is directed by Article VI of the Responsible Governance Policies. In order for any new policy or rule to be adopted, the first requirement is that it can not be in direct conflict with any of the governing documents of the Association, including the Covenants and Bylaws. The process is that the Board approves any new rule or policy at a Board meeting and then gives notice to the ownership through a regular quarterly newsletter. After at least 30 days, at a special or regular meeting, the Board can take into account any comments received and adopt, amend or discard the proposed rule or guideline.

SPOA has an Architectural Control Committee (ACC) comprised of at least three members of the association. The Stagecoach Covenants prohibit lot owners from constructing a house or other structure before the construction plans are approved by the ACC. It was noted that these Covenants don't provide much guidance as to how the ACC is supposed to decide which

applications to approve, making the process difficult for both the ACC and owners who wish to build. It is the Board's goal to establish a clear set of architectural and construction guidelines for future residential homes, ensuring homes and outbuildings harmonize with the environment. In 2018, the ACC adopted guidelines for fences (2018-1), sheds (2018-2), and greenhouses (2018-3).

The recently proposed ACC Policies were provided for owner review and are published on the www.Stage-Coach.com website and include:

- 2019-1 Harmony of External Design Colorado
- 2019-2 Harmony of External Design – Design Elements and Materials
- 2019-3 ACC Approval Requirements and Process
- 2019-4 ACC Decision Making Process

During a member comment period, Kate Rachwitz read the proposed policy prohibitions and there was discussion concerning the roof slope and color restrictions and prohibitions. Owners were encouraged to email Bryan with questions or comments. Comments will be reviewed at the next board meeting, taking all into consideration. Jeff Rachwitz expressed his disappointment with the proposed guidelines. John stressed these guidelines have not been adopted, and owners are encouraged to provide their comments.

Board Meeting Dates and Times – The dates and time of these meetings are posted on the website at www.Stage-Coach.com. The next board meeting is scheduled for August 17th.

Wildfire Mitigation Awareness – Wildfire mitigation and education continues to be a top priority for the Board. Management has been sending information regarding wildfire mitigation and creating defensible spaces. The problem that continues to exist is the standing dead on individual owner lots. National Resources Solutions Group has been putting together a program to encourage people to deal with the standing or fallen dead fuel. Contact information for NRSRG was provided to owners. SPOA continues to seek program funding to not be such a financial drain on SPOA.

Road Improvements/Maintenance – Roads in some of the back subdivisions are beginning to fail due to structural and drainage issues making it difficult for access to some lots. The association has been in the process of trying to assure at least seasonal access through the installation of new culverts, ditching and some grading with focus on the major arteries. Improving owner access and safety access for fire and ambulance service is the main goal, however SPOA is not in the process of building roads to the county standard.

Some owners have been making improvements to the roads to gain better access to their lots and to possibly be able to build in the future. The association does provide reimbursement funding for drainage, open access and surveying to help them with this process. Morningside, South Shore and Horseback roads are maintained by the county. These three subdivisions have their own restricted funds that are to be used for roads. The association attempted to make a change to the requirement that these funds only be used for roads under the guise that since the county is in charge of maintenance through the legal agreements, that the money may be spent better for other infrastructure. The county refused to approve a change to the agreement unless SPOA agreed to abolish the agreements completely and add these roads into their regularly scheduled road maintenance program. The Board did not wish to give up the

agreements and declined. If you own property in an area having county-maintained roads, you will need to call them and keep calling them to get the roads graded. If they claim they aren't responsible to maintain these roads, notify Bryan Ayer.

Common Area Projects – A master plan for trails and recreation in the community is in progress and the board is reviewing the plan and will be involving the community while things are being discussed. Some financial resources are now available.

The Neighborhood Grant program is still available with grants up to \$2,000 for community building and neighborhood improvement projects. A grant application is available on the Stagecoach website. Completed applications should be submitted to Bryan Ayer.

Stagecoach State Park – The Morrison Cove area has been improved and completed a new launch site for non-motorized boats. Access to BLM at the end of South Shore has been closed. The State wants to put a small parking lot for 10-12 parking spots at the Arapahoe Road trailhead access. No overnight parking is allowed. This area will be monitored by the State. If you oppose this project, you need to call the State Park offices.

Community Center Plans – One of the priorities that the SPOA board established for the 2019 year is the planning of a community center for Stagecoach. While the Association currently lacks the funds to actually construct a building or other improvement, it does have sufficient funds accumulated in the project account to fund the planning and may possibly have sufficient funds to start the process of acquiring a site for a community center. Tom Watts has agreed to lead the committee and help pull together some ideas for a community center. It was noted the original plans for the Stagecoach area included a plan for a community room next to the fire department. This information will be explored by Mr. Watts. Owners who want to be a part of this committee were asked to contact Bryan.

YVEA Broadband Offering – An owner reported that YVEA is in the first stages of installing broadband for the Stage Coach area. Interested owners are encouraged to visit their website and add your name to the interested parties list.

State Law Change for Licensed Community Manager – In 2014, the State established a requirement for communities to engage property managers licensed by the state. Licensing required proof of education and testing in order to demonstrate their expertise in Association Management. Bryan Ayer is a licensed Community Association Manager with Steamboat Association Management. However, effective last month, the association is no longer required to have a licensed manager. With this new information, Board Member, Rob Walker is putting the management agreement out for bid to ensure the association fee is amenable.

Yampa Valley Sustainability Council – Curbside recycling task force announced that services to the Stagecoach community will soon be available. Interested owners should reach out to Twin Enviro Services to express an interest in curbside recycling.

Treasurer's Report

John Troka presented in the absence of Matt Kauffman, SPOA Treasurer. John provided a summary of the financials for the current fiscal year through June 30, 2019, including the balance sheet, income statement for operations and project/reserve spending report.

Total assets at the end of June 30 was \$737,871. Of this balance, \$519,681 with \$18,554 in the checking account, \$201,073 in the Money Market account and \$300,053 in CDARS investment accounts. There is also \$150,069 of 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 \$53,403 with other income (i.e. fines, late fees, finance charges, etc.) of \$5,394 for a total income of \$58,798.

Operating expenses for the same period totaled \$51,124. These expenses include management fees, professional services including accounting and legal, insurance, maintenance costs, including the groom of the Nordic trail and the maintenance of the Coyote Run Playground, as well as meetings and postage.

Through June 2019, the Association's operating surplus (income minus expenses) is \$7,674.

Project/Reserve Income through June from annual assessments and interest was \$82,699. YTD project/reserve spending was \$48,348, which includes \$12,900 in wildfire mitigation, \$18,199 in road maintenance, \$4,296 in legal covenant enforcement issues, \$11,572 in governing document cost related to the proposed Covenant amendments and \$1,381 in common area/parks.

Through June 2019, the association's YTD project/reserve surplus (income minus expenses) is \$34,351.

Restricted Funds income reflects \$3,352 in interest income earned on funds held. There was no spending of these funds through June.

Accounts Receivable: At the end of June 2019, net accounts receivable was \$64,743. Thirteen members owning 19 lots are delinquent three or more years and account for 22% of the accounts receivable balance. Of the receivable's 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 the 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 it is determined to be economically sensible.

The assessments for 2019 were \$120. The final 2020 assessment could be raised to \$127.69. The board will determine if the assessments will increase when the 2020 budget is adopted this fall. Notice of the annual assessment will be sent to the ownership at the end of November.

Property Tax Valuation – John provided a summary of the recent Routt County property taxes. Some areas have seen some substantial increases in taxes; however, it was noted that property

values are increasing as well. He provided a warning to owners who are considering consolidating their lots, noting real estate taxes on vacant land is higher with consolidated lots than if you leave them as individual parcels.

Board of Directors Election

The SPOA Board is comprised of nine members of the Association who each serve a three-year term. There are two 3-year terms expiring and one vacant chair available. John DiNicholas is standing for election, and John Troka is standing down at the end of his six years of service.

Tony Borean is seeking election and provided a brief bio for the report. The floor was opened to owners who might be interested in seeking election. Amber Stewart expressed her interest in serving and was nominated by Kate Rachwitz.

Kate Rachwitz expressed the board's appreciation to John for his expertise and commitment during his six years of service. His commitment to the community is attributed to the association's growth and development.

There were no more nominations from the floor. Kate Rachwitz made a motion to close nominations that was seconded by Todd Stewart. The motion carried without dissent.

Bob Woodmansee made a motion to elect all three candidates by acclimation which was seconded by Judy Heister. All three were elected by acclimation. Officers will be elected at the board meeting.

Member Forum

Update on Electric Installation to South Shore – A private individual is paying YVEA to extend the lines to the South Shore properties. Owners who wish to tap into the new electric lines for a fee should contact YVEA for how to proceed. The process will start on Monday, July 22nd. The line is coming from Morrison Creek. Surveys are being done now and on Monday, the sagebrush will be removed from the easements. The areas where the line crosses driveways will be rebuilt. All lines will be buried underground. The Board stated they try to collect information for easements and utility installments.

New Covenants Enforcement – There was a question on how the new amendments and covenants will be enforced. The board recognizes this has been problematic in the past. The intent is to notify the owners who are in violation. The Board will be taking a more aggressive stand on those persons who park more than one trailer or recreation vehicle and other covenant violations.

A straw poll for the ACC guidelines, requesting a show of hands for owners who believe they are too restrictive. The floor was opened for discussion with the most common complaint being the 5:12 roof pitch and no carports. Wood shingles and black shingles are prohibited. Owners were encouraged to email Bryan their comments and objections. He will print them and they will be discussed at the next board meeting. John repeated these guidelines are in draft format and have not been adopted. This draft is meant to begin the discussion and all comments will be considered.

Next Meetings

Board meetings are held quarterly and owners are encouraged to attend. The next meeting is scheduled for August 17, 2019 and is open to all members. Check the website for time and location.

Next year's annual meeting is scheduled for July 18, 2020 and will begin at 9am. The meeting will tentatively be held again at SOROCO High School.

Adjournment

With no further business to discuss, Scott Hummer made a motion to adjourn that was seconded by Tony Borean. The meeting adjourned at 11:25am.

After the meeting was adjourned, Bob Woodmansee was introduced to provide an overview of the Stagecoach Farming Project. This project is in the beginning stages of discovery and a study of purpose and need is being conducted. The next UYCD board meeting is scheduled for August 22, 2019.