

DOUGLASS RANCH PROPERTY OWNERS' ASSOCIATION

Minutes from the Special Meeting of the Board of Directors
December 22, 2022

Call to Order: Meeting was called to order at 6:05 PM by Veris Simms, DRPOA President

Location: Virtual via Zoom

Attendance

Board Members Present:

Veris Simms	President	720-220-5631	drpoa.president21@gmail.com
Andréa Swenson	Secretary	612-201-0289	drpoa.secretary2020@gmail.com
Todd William	Treasurer	303-838-5117	drpoa.treasurer2020@gmail.com
Randy Jensen	Director	303-681-5745	jensen5513@gmail.com

Board Members Absent: None.

Others Present:

Members at Large:

Barb Pleva	Tandy & Bill Martindale
Tom Washburn	Mike & Cathy Rheinberger
Tricia Jensen	Ching-Shyan Chen

I. Business from the Previous Meeting –

- **2023 Budget Review | Todd Williams, Treasurer.** Overview of the line items in the budget proposal reflect what was presented at the Annual Meeting of the Members on November 30, 2022.¹ Since then, Mr. Williams reported that more discussions took place to understand how Mr. Jensen arrived at the proposed budget numbers for the Reserve Study which includes Elk Creek Fire District and allow funding to include financial flexibility for future Firewise projects, while at the same time, raising the funds and increasing resources in our Reserve funding.²

Average Expense Per Lot	\$642.86
Building the Reserve	<u>\$357.14</u>

¹ All spreadsheets are attached, see Tables 1-4, on pages 5 - 9.

² See Table 1, page 5.

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Annual Due Amount \$1,000.00

The following line items for operating expenses:

Dues & Subscriptions	\$ 80.00
WIX	\$ 220.00
Liability Insurance Policy	~\$ 1,300.00
Professional Fees – Attorney	\$2,150.00 (<i>Governing documents consult</i>)
Income Tax Preparations	~\$ 350.00
Roads & Grounds	\$15,000.00
<i>Reduced</i>	\$ 1,000.00 ³
Board Expense	\$ 600.00
Snow Removal	\$ 7,000.00
Water Rights	\$ 300.00 (<i>annually</i>)
Firewise Projects	~\$ 3,000.00 (<i>anticipates any special project</i> <i>Discretionary funds, a 12% contingency</i> <i>would yield ~\$3,000.00</i>)

Total Expenses \$27,000.00

Rebuild the Reserve \$15,000.00

Total \$42,000.00

- **2022 Budget vs Actual Funds Expended** - An overview was provided.⁴
- **Outstanding Special Assessments** – 2-Lots are still outstanding and have not remitted payment. Both are now in collections. According to new law enacted on August 09, 2022, Collections notices must be sent by certified mail, and delivered by a collections processor, notice is posted on the door, and processor takes photo as evidence the collection notice has been served. Processor fees are debited to the Lot Owner.

a. **3 Lots delinquent in Annual Dues the amount of - \$1,500.00**

b. **2 Lots delinquent in Special Assessment the amount of - \$4,600.00**

Total Amount in Delinquencies: \$6,100.00

- **Reserve Study** – The amounts and line items provide financial picture of where Douglass Ranch is currently but also provides projected expenses as a common interest community with shared components, including common elements or

³ Although \$15,000.00 was presented at the annual meeting, the amount was reduced after further discussion when it was learned that the scope of work would only require \$12,000.00.

⁴ See Table 4, page 8.

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property that the unit owners' association (association) is responsible for maintaining, repairing, or replacing.⁵

a. Key Items

- i. **Roads** – Expenses for maintenance or repairs of Douglass Ranch's private road are likely to be less, as the majority of the private roads will not require a full reconstruction or major rehabilitation.
 - ii. **Elk Creek Fire District – Mitigation with Matching Grant** – ~\$36,000.00 is the amount needed to fund the shaded fuel break along the south portion the Douglass Ranch, both open space and shared border with Glenelk community. Construction slated for 2024/2025. Total cost estimated \$72,222.00.⁶ Grant applications will be submitted by Elk Creek Fire District in 2023. The grant award is expected to be in upwards of 50% matching grant. This line-item amount can be raised through annual assessments, depositing monies earmarked for the matching grant into savings without having to impose a special assessment.
 - iii. **Spillway & Culvert** – Cost projections for maintenance i.e., debris clearing at culvert or repairs as anticipated at Baldwin Court culvert for 2023.
 - iv. **Fire Suppression Cistern at Meadowridge & Douglass Ranch Dr.** – Repairs unlikely, therefore, funds have not been allocated.
- **Discussions on Policy IX – Reserve Study** - whether to adopt a new Policy IX before voting on the proposed 2023 budget.
 - a. **Motion I:** Veris Simms move to table this discussion on Policy IX until the board has more time to review and implement changes, if any, without contacting the attorney, even to ensure the document meets legal standards, unless during the review directors cannot come to agreement with the language.
 - b. **Motion I Seconded:** Todd Williams
 - c. **Motion I Passed:** Unanimously
 - **Motion II:** Randy Jensen moves to accept the proposed 2023 budget.⁷
 - **Motion II Seconded:** Veris Simms
 - **Motion II Passed:** Unanimously

⁵ See Table 2 & 3, pages 6 and 7.

⁶ See Table 3, page 7 - last section: **Elk Creek Fire District Matching Grant Funds.**

⁷ See Table 1, page 5.

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- **River Aggregates II, LLC – Larry Plote, Owner/Operation** - Discussions regarding their invoice addressing the error with the excavation portion of the work and Barr Engineering observer. It was felt that the observer should have stepped in rather than allowing excavation to continue. If this had been done, it would've likely prevented additional spending on flow fill. The proposed idea at this time is to talk with Barr Engineering regarding the oversight in observation. Negotiate a deduction of monies originally paid to Barr, if agreed, then in turn pay Mr. Plote. An email will be sent to engineer of record, Nathan Campeau, for discussion on this matter.
 - a. **Motion III** – Veris Simms moves to table the decision on the invoice submitted by River Aggregate LLC, from Larry Plote until Mr. Williams contacts Mr. Campeau at Barr Engineering to discuss the observer situation with intent on negotiating with Barr Engineering to take responsibility for to the oversight and pay River Aggregate directly, thereby, the difference in the invoice is negotiated between the two entities. Finally, that DRPOA is not responsible to River Aggregate II for paying for any overages due to the oversight.
 - b. **Motion III Seconded:** Todd Williams
 - c. **Motion III Passed:** Unanimously

II. New Business –

- **Set date for the Budget Ratification Meeting** – January 22, 2023, at 4:00 pm

III. Adjournment – Meeting adjourned 7:23pm

Submitted by, Andréa Swenson, DRPOA Secretary

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Table 1 - Proposed 2023 Budget

Douglass Ranch Property Owners' Association 2023 Budget			
Income		Expense	
Expenses per lot	\$ 642.86	Dues & Subscriptions	\$ 80.00
Build Reserve per lot	\$ 357.14	Wix	\$ 220.00
Annual Dues	\$ 1,000.00	Liability Insurance State Farm	\$ 1,300.00
		Professional fees - Attorney	\$ 2,150.00
		Income Tax Preparation	\$ 350.00
		Roads and Grounds	\$ 12,000.00
		Board Expenses	\$ 600.00
		Snow Removal	\$ 7,000.00
		Water Rights	\$ 300.00
		Firewise Projects	\$ -
		Projected expenses	\$ 24,000.00
		Contingency - 12.5%	\$ 3,000.00
		Total Expenses	\$ 27,000.00
		Build reserve per Policy IX **	\$ 15,000.00
Total Income - All sources	\$ 42,000.00	Ordinary Projected Expenses + Reserve	\$ 42,000.00
Current Policy/Study requires \$143,000, this will fully fund the reserve in four years			
++ Special Assessment Payments	\$ 20,700.00	Targeted for Reserve	\$ 20,700.00
++ - This is the projected amount to be collected from the special assessment for 2023.			

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DRPOA Reserve Study as of December 2022
(see assumptions in separate tab)

Road reserve	\$76,500.00
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Culvert replacement total	<u>\$37,000.00</u>
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Pond Spillway and silt removal	Replace 100 cubic yards of riprap at \$125/yard after a major flood event and clean silt deposit	Spillway reserve	\$12,500.00
Cistern tank @ Meadowridge	8,000 gallon cistern at the corner of Douglass Ranch Drive (see assumptions tab)		\$0.00
Elk Creek Fire District matching grant funds	Funds necessary to match an Elk Creek Fire District grant to provide a shaded fuel break around the southern portion of Douglass Ranch		\$36,000.00

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Table 3 - Reserve Study - Assumptions

Roadway Surface Assumptions	
Fog Seal - \$.18 per sq ft	Adds approximately 4 to 5 years service life
Chip Seal = \$2.250 per sq yd	Adds approximately 8 years service life, more if the road is new
1" Asphalt Overlay = \$118.00 per ton	Adds approximately 15 years service life
1.5" Asphalt Overlay = \$118.00 per ton	Adds approximately 20 years service life
2" Asphalt Overlay = \$118.00 per ton	Adds approximately 30 years service life
Annual preventive maintenance and patching should be budgeted according to the 5-year plan.	
**The risk of all roads needing a full depth overlay at the same time is very small therefore the Reserves amount should be maintained at a level to construct a 2" overlay on the two roads in the worst condition, which is Drake Court and Meadowridge Lane.	
The suggested strategy for repairs beyond minor patching, sealing, and crack sealing would be to assess the conditions when a contractor is in the area, such as a CDOT contractor, or a Jefferson County contractor, obtain pricing for a chip seal or asphalt overlay, and determine the best course of action at that time.	
At the current rate of deterioration and with proper routine preventive maintenance, the remaining service life of all the roads in the ownership of Douglass Ranch Property Owners Association, as of June 2021 is shown below	
Baldwin Court	15 years
Drake Court	3 - 5 years
Gordon Court	15 years
Meadowridge Lane	5 - 7 years
May Long Court	15 years
Culvert Assumptions	
The culverts under the DRPOA roads were constructed using a Corrugated Metal Pipe or CMP. They will need to be replaced when they start to rust and before they start to collapse. This can be accomplished by slip-lining the existing culverts with a Plastic pipe without having to dig up the road. The normal useful life of a CMP is up to 35 years. Since our roads were constructed around 1989 that means our culverts have reached their life expectancy and need to be inspected as soon as possible to determine a schedule for repairs. The assumption is that they will need to be replaced or repaired in the next 5 years. Once this expense has been realized this asset will come off the reserve amount.	
Pond Spillway	
Once the new spillway has been constructed it can be expected that a storm event of 50 or 100 years could displace some of the riprap in the spillway. Inspection of the spillway and Dam area will be required after each major event and the riprap brought back to pre-storm conditions.	
Cistern Tank @ Meadowridge	
There is a 8,000 gallon cistern at the corner of Douglass Ranch Drive and Meadowridge Lane. It was constructed for the fire department to draw water from when fighting a fire here. It is constructed of fiberglass and should not have any need for repairs therefore a \$0 need has been given this asset.	
Elk Creek Fire District Matching Grant funds	
Douglass Ranch has been working with the Elk Creek Fire Department to construct a shaded fuel break around the southern portion of the subdivision, both in open space and on property owned by Glen Elk. The project is slated to be constructed in the 2024/2025 time frame. The total project cost is estimated to be \$72,000 in 2022 dollars and our match will be 50% of the total cost. This will provide a much needed fuel break to protect the entire subdivision.	

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Table 4 - 2022 Budget vs Expenditures

Dougllass Ranch Property Owner's Association 2022 Budget vs. Expenditures Ordinary Income/Expense

Income		Expense		Paid	Remaining	
Fees	\$0.00	Dues and Subscriptions	\$300.00	\$251.07	\$48.93	
Homeowners' Dues	\$21,000.00	Liability Insurance (Allstate)	\$1,096.00	\$1,207.00	-\$111.00	\$330.00 tax prep
Other	\$0.00	* Professional Fees	\$1,800.00	\$8,350.00	-\$6,550.00	\$3,934.00 Governing docs
Total Ordinary Income	\$21,000.00	** Roads and Grounds	\$12,000.00	\$9,295.00	\$2,705.00	\$4,086.00 Attorney
		*** Board expenses	\$600.00	\$1,104.52	-\$504.52	
Annual Dues per Lot	\$500.00	Snow Removal	\$6,500.00	\$3,305.00	\$3,195.00	
Special Assessment For Reserve	\$0.00	Water Rights	\$300.00	\$247.68	\$52.32	
Total Annual Assessment needed	\$500.00	Firewise projects	\$0.00		\$0.00	
Surplus/Deficit for 2022	(\$2,760.27)					
		Ordinary Projected Expenses	\$22,596.00	\$23,760.27		
		**** Re-build reserve	\$0.00			

* = Annual Attorney + Accountant (\$300) fees

** = See Road Plan + roadside ditch maintenance

*** = Board expenses: meetings, office supplies, postage, reproduction and printing.

**** = Special Assessment for 2 years starting January 2023

Firewise Projects - funding to be determined from Plan, budget proposal starting 2023