

Cordillera Valley Club Property Owners Association
Board Meeting Minutes
Tuesday, October 11, 2022, at Noon MT
Via Zoom

BOARD MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Connie Dorsey, Bob Engleby, Alan Garfinkel, Jim Gibbons, Paul Kessenich, Tom Marcin and Kent Myers

ALSO PRESENT VIA VIDEO CONFERENCE CALL: Dan McNeill, Managing Agent, Karl Bauer and Hugh Fairfield-Smith of Eagle Valley Wildland, Marsha Bjornson, Bookkeeper and Sara Thurston McNeill, Secretary to the Meeting

- I. Call to Order. With all seven Directors present via Zoom, a quorum was established. Bob Engleby called the meeting to order shortly after Noon.

- II. Consideration of Changes to the Agenda. There were no changes.

- III. Eagle Valley Wildland Wildfire Mitigation Plan Presentation. Chief Bauer introduced himself and Hugh Fairfield-Smith and thanked the Board for consideration of their proposed wildfire mitigation plan for Cordillera Valley Club and the surrounding BLM and National Forest parcels. He explained that Eagle Valley Wildland is a collaborative partnership between Eagle County, Gypsum Fire Protection District, Greater Eagle Fire Protection District and Eagle River Fire Protection District and that it is dedicated to reducing the risk of wildfires through mitigation, suppression, and community education. He explained that as the risk of major wildfires are grow due to climate change, so do wildfire mitigation efforts. The Eagle Valley Wildland’s mission to become more effective and efficient at fighting fires.

Mr. Fairfield-Smith then shared his presentation with the Board. He explained that the natural areas in CVC open space and surrounding BLM and Forest Service areas are primarily comprised of pinon-juniper forest and are at a higher severity for wildfires than other neighboring areas. Eagle Valley Wildland proposes to reduce the risk of fire by a 60-80% reduction in fuel. The process would involve the use of some machinery (a masticator and a mulcher) and hand removal of smaller trees. Selective cutting would occur; a “clear-cut” fire break

such as those being created in Beaver Creek and Bachelor Gulch is not part of the plan.

Using computer models, Mr. Fairfield-Smith demonstrated how a fire started at the nearby I-70 rest area at Wilmor Lake could potentially spread rapidly eastward and threaten the structures and residents of CVC. The fuel reduction plan is estimated to cost \$160,000 and he requested that half of the cost be borne by the CVC POA. The other half of the cost would presumably be covered by grant money from the Colorado State Forest Service. It was duly noted that the cooperation of the USFS would be ideal in order to prevent damage in the case of catastrophic wildfire. This will require a national environmental impact study that typically takes five years to complete, but Mr. Fairfield-Smith thought this process could be expedited in two to three years.

Several Board members weighed in with questions and comments. Ideally, the Board could make a decision about participation in the fuel reduction plan by early 2023 in order to get a contractor in place by June 2023 (possibly earlier, depending on the weather next spring). The Board thanked Chief Bauer and Mr. Fairfield-Smith for their presentation, and they excused themselves from the meeting.

- IV. Review and Approval of the Minutes of the April 29, 2022, POA Board of Directors Meeting. These minutes were drafted by management and distributed to the Board for review. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE APRIL 29, 2022, CVC POA BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was duly seconded and carried unanimously.

- V. Financial Review and 2023 Budget Presentation. Marsha Bjornson, bookkeeper, prepared the September 30, 2022, financial reports and Dan McNeill presented them to the Board. According to the Balance Sheet, the association currently has \$1,685,748.90 in total assets, liabilities and equity, including \$1,677,803.78 cash in the banks, \$7884.28 in accounts receivable (representing four delinquent accounts, including one that is accruing fines for construction violations) and \$7944.66 in prepaid expenses (for trash and insurance). There is \$389,500 in Design Review Board deposits, \$69,702.00 in working capital reserves and \$1,017,537.66 in reserves. Net income equals \$127,005 nine months through the year; \$53,951 from operating funds and \$73,054 from reserves.

There was consensus to move the DRB deposits from the association's regular checking account to a separate escrow checking account.

The Profit and Loss Statement reveals that three quarters through the year, the association has income of \$209,851 (with \$4350 in late fees and fines) and has incurred operating expenses of \$155,900. Legal Fees, Holiday Lights and Recreation Fee / Fishing are over budget. Savings have been achieved in Tree Care.

Dan and Marsha presented the proposed 2023 budget to the Board. Incremental increases are expected in the line items of Management Fee, Insurance, Design Review Board General Overhead, Office Supplies, Landscaping Lawn & Roadway Maintenance, Landscaping Flowers & Beds and Water. Dan expects the association to end 2022 with a net deficit of approximately \$10,000. No dues increase is proposed, however, because the \$30,000 in additional operating expense and anticipated year-end deficit can be covered by interest income. There was a request to bid out the various components of the landscaping line items next year. Dan agreed to do so but noted that roadway maintenance is simply billed to the association on a time and materials basis from Avalanche. The owners have been happy with the flower care from Garden Creations for several years now.

After discussion, there was a MOTION: TO APPROVE THE 2023 BUDGET AS PRESENTED WITH NO DUES INCREASE. The motion was duly seconded and carried unanimously. Annual assessments will remain at \$1500 per lot and be due and payable on January 1, 2023 (and considered late if not fully paid by February 15, 2023). The approved budget is attached hereto and incorporated into these minutes.

Jim Gibbons has been working diligently on the best options for the investment of reserve funds into certificates of deposit since the April 29th meeting. He presented a proposal to open four separate accounts with Chase of \$225,000 each. The maturity date of each CD will be separated by three months and the funds will roll over unless withdrawn for required capital projects. There was consensus to move forward with this plan. The Board and management expressed their sincere thanks to Jim for his oversight on this project.

The 2022 beginning balance in the Capital Reserve Fund was \$1,017,537.66. Current year-to-date funding totals \$161,165 from real estate transfer assessments

(1% on the sale of every property). 2022 capital expenses total \$88,112.13 so far for wildfire mitigation, legal fees and berm work. The ending balance in the Capital Reserve Fund is \$1,090,590.53.

- VI. Manager's Report. Dan McNeill reviewed the Reserve Study with the Board. This is a spreadsheet that identifies all of the common elements that the POA is responsible to repair / replace, estimates its useful remaining life and its cost for replacement. Capital projects under consideration for 2022 but not yet undertaken include landscaping improvements and tree planting, continued wildfire mitigation (including restoration efforts to the old water tank road) and the construction of new trails.

Kent Myers reported that he has been in contact with two local landscaping companies regarding the possible construction of new open space trails (for hiking and mountain biking) in the community. He explained that without a set of detailed plans, the costs for this project cannot be determined. Furthermore, landscaping contractors are suffering from staffing shortages this year, and have been unwilling to commit time project without plans and a clear scope of work.

David Ketterer of McNeill Property Management sent the following maintenance report to the Board prior to the meeting:

- Pruning / Dead Brush Removal efforts include the removal of dead branches along all roads. The removal of dead trees (that we've had approval for) has been completed. I'm still in process of contacting owners regarding dead trees on private property, and course of action (one on Legacy Trail and one on Beard Creek Trail). I plan to meet with these owners next week. There is still extensive work required regarding fire mitigation in large drainage valleys south of Fall Creek and along Spring Creek.
- Painting Update. We have painted guard rails, posts, and signage, throughout all roads working from east to west. We are just spot-painting bad areas and should be finished this week. The golf course parking lot rails could use complete painting; this is not presently on our list.
- Drainage Update. Our crews have begun cleaning out spillways and large overflow ponds. They have also cleaned out several partially clogged culverts along all roads, and improved drainage areas that are needed during heavy rains and runoff times. There is more work to be performed. I can set crews up with exact details next week, if they are available.

- Reflectors. Our staff is involved in the process of locating suitable reflective decals to install on road markers. We are continually straightening, and removing disturbed markers, as necessary.
- Irrigation. Winterizing of all common gardens, turf areas, and entries will be completed by early next week. The recreation field lot and west gate areas will be winterized when the golf course compressor is hooked up and operational (usually late October).

The Board requested that Dan contact Mike Henritze at the Club to see if the maintenance area fencing on the west end of the community can be spruced up. Avalanche could provide the manpower, if needed.

VII. Design Review Board Report. Dominic Mauriello submitted the following report via email prior to the meeting:

All nine Club Residences are in various phases of construction. Additionally, there are seven other new homes in other areas of CVC under construction with an additional one pending technical plan review. There are an additional two homes that are completed but not yet final. There are four vacant homesites in CVC remaining, not including those under construction or in the DRB process. Of these vacant homesites, two are owned by the adjacent homeowner. Many homes within CVC are completing exterior and interior remodels this fall and we have administratively approved many projects, including additions, tree removal, repaints, re-roofs, patio and hot tub additions.

VIII. Other Business. Kent Myers gave a brief Metro District update to the POA Board. Per a recent survey conducted, the owners in CVC remain concerned about speeding, but do not like the use of speed bumps to control it. The security staff and MD Board continue to try to find ways to prevent speeding motorists in the community.

The security staff continues to remind residents about the dangers of wildlife, especially bears and mountain lions in the community.

The Metro District remains in a favorable and stable financial position.

IX. Old / New Business. Tom Marcin gave a brief update on the continuing berm work. Tom offered the option of dumping dirt from the excavation of new Club

Residences on the east end of the berm, but the developer chose to deposit the material elsewhere. Tom's staff at Marcin Engineering continues to work to get the sound mitigation wall on the west end of the community approved by CDOT. He deliver a more thorough update for the Board at the next meeting.

Outside legal counsel drafted amendments to two of the state-required nine responsible governance policies: the Collections Policy and the Enforcement of Covenants and Rules Policy to comply with recent statutory changes (HB 22-1137). These have been sent to Alan Garfinkel. He will have further updates for the Board at the next meeting.

The Board briefly discussed the 2023 management contract sent for review by McNeill Property Management and the related incremental increase in fees. Dan explained that the contract is good for two years; the increase in fees is primarily related to inflationary pressures and the costs for gas, labor, supplies and shipping. There was consensus to approve the management contract for 2023 and 2024.

The next Board Meeting was scheduled for Tuesday, November 29, 2022, at Noon MT. The meeting will be held via Zoom. The primary agenda topics will include a decision on the Eagle Valley Wildland proposal, a report from Alan Garfinkel on the governance policies and an update from Tom Marcin on the berm project.

The 2022 Annual Meeting was scheduled for Tuesday, December 13, 2022, at 9AM MT. The meeting will be held via Zoom. There will be one term expiring at the Annual Meeting, the seat held by Connie Dorsey. Bob Engleby, Kent Myers, Alan Garfinkel and Paul Kessenich all have terms expiring in 2023; Tom Marcin's term expires in 2024.

- X. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 1:40PM.

Respectfully submitted,

Secretary to the Meeting

Cordillera Valley Club Property Owners Association				
Statement of Revenues Expenditures and Changes in Fund Balance				
9.30.22				
	JAN-SEP	2022 Full Year	2022	2023
	P&L	Projected	Approved	Approved
	2022	Actual	Budget	Budget
Revenues				
Regular Assessments	\$ 204,000	\$ 204,000	204,000.00	204,000.00
Late Fees	\$ 1,005	\$ -	-	-
Interest Income - Operating	\$ 996	\$ 1,000	1,000.00	30,000.00
RETA 1%	\$ -	\$ -	-	-
Late fees & DRB Fine	\$ 3,850	\$ 4,350	500.00	500.00
Total Revenues	\$ 209,851	\$ 209,350	\$ 205,500	\$ 234,500
Expenses				
Administrative Expenses				
Management Fees	\$ 13,500	\$ 18,000	18,000.00	21,000.00
Accounting	\$ 5,000	\$ 6,600	6,600.00	6,600.00
Audit/Tax Prep Fees	\$ 650	\$ 650	650.00	650.00
Bank Charges	\$ 147	\$ 300	300.00	200.00
Ins Expense, incl. D&O Liab.	\$ 4,654	\$ 4,654	5,250.00	6,000.00
Legal Fees	\$ 2,581	\$ 3,000	1,000.00	2,000.00
Meeting Expenses	\$ 1,007	\$ 1,250	1,000.00	1,000.00
Office Supplies & Expense	\$ 923	\$ 1,000	500.00	1,500.00
Total Administrative Exp.	\$ 28,462	\$ 35,454	33,300.00	38,950.00
DRB Expenses				
DRB General Overhead	\$ 5,400	\$ 7,200	7,200.00	9,600.00
Total DRB Expenses	\$ 5,400	\$ 7,200	7,200.00	9,600.00
Community Operations				
Donations	\$ -	\$ -	-	-
Homeowner Relations	\$ 1,044	\$ 1,250	1,000.00	1,000.00
Trash and Recycling	\$ 26,147	\$ 37,300	37,300.00	37,000.000
Recreation/Fishing	\$ -	\$ 5,435	4,700.00	5,435.00
Landscaping - Lawn and Roadway Maintenance	\$ 39,217	\$ 46,000	45,000.00	47,000.00
Landscaping-Flowers & Beds	\$ 26,195	\$ 43,500	41,000.00	45,000.00
Holiday Lights	\$ 5,510	\$ 9,510	5,500.00	9,500.00
Weed & Pest Control	\$ 1,600	\$ 5,000	5,000.00	5,000.00
Tree Care	\$ -	\$ 4,500	3,500.00	3,500.00
Utilities - Water	\$ 22,324	\$ 25,000	22,000.00	27,000.00
Total Community Operations Exp	\$ 122,037	\$ 177,495	165,000.00	180,435.00
TOTAL OPERATING EXPENSES				
	\$ 155,900	\$ 220,149	\$ 205,500	\$ 228,985
Net income or loss from Operations	\$ 53,951	\$ (10,799)	-	5,515.00