

# **Cerise Ranch Property Owners Association**

## **RECORD OF PROCEEDINGS**

**Thursday, August 12 2008, 7:00 P.M.,  
Clubhouse, 0159 Cerise Ranch Road  
Carbondale, Colorado**

### **MEETING OF DIRECTORS**

A meeting of the Directors of The Cerise Ranch Property Owners Association (the "Association") of Garfield County, Colorado was held on August 12, 2008, with the following persons present and acting:

- Todd Gressett, Vice President, with Proxy from Eric Schmela
- Brenda Broxton, Treasurer
- Charles Capobianco - Director
- Keith Edquist, Association Manager
- Kim Poukish, Association Accountant
- Eric Schmela, Association President, was unable to attend
- Kristen Boothe, Secretary, Director, was unable to attend

Present for the meeting was: Owner April Calabro.

**Meeting topics: Banking proposal and investment of funds. Landscape maintenance, weed control and entry lighting. Non-compliance letters and fines, upper ditch use and users, West End Ditch Company. Reserve study update, cost and availability of water features.**

#### **Owner's Open Forum**

There were no comments made in the open forum section of the meeting. April Calabro came to attend the meeting.

#### **Banking and investment of funds**

Kim Poukish made a brief presentation asking the Directors to move the Association's accounts from US Bank to American National Bank for the purpose of gaining more interest on deposited funds. The Association maintains an operating account, a money market account, and a Landscape/Construction Deposit account. Kim's provided information is appended to these minutes.

The Directors discussed the advantages of this move and determined to move all three accounts to American National Bank due to very favorable interest rates available. Kim's proposal also called for investment in short term certificates of deposit for the accounts, staggering maturity dates to allow liquidity. Director Capobianco made a motion to accept the proposal with a direction to maintain a minimum of \$15,000 in the operating account, seconded by Treasurer Broxton. The motion passed, Vice President Gressett voting Schmela's proxy in favor. Kim was asked to begin this process immediately.

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There followed a brief discussion regarding the ability of the accounting company to accept credit cards. This led to a decision bring this forward at the annual meeting to determine how much demand there is for the service.

## **Consideration**

The minutes of the meeting of June 10, 2008 were reviewed and unanimously approved without changes or corrections.

## **Management Report**

Keith recapped briefly the progress made on the entry lighting and landscape at the entry, shortening of road signage. He asked for comments on the state of the bike path, and asked Directors consider the long term treatment of this path.

He also spoke briefly about weed control efforts to date, saying there was a difficult area at the east end of the property in the area surrounding the wetlands. This area was too heavily infested to kill with backpack sprayers, so that effort was stopped 100 feet off the roadway. The area was too wet to mow, but landscaper Hazard expect to be able to cut it in the coming weeks. There will then be a second spraying done on the common areas for Canada thistle after the first frosts. Private lots have been sprayed for the season.

Director Capobianco asked about lighting for the area of the post office boxes. Mr. Edquist said there was electrical service nearby, and that lighting would be possible for this area.

## **Old Business**

Mr. Edquist recapped the situation in regard to above ground irrigation systems existing on lots 3 and 21, which were to have been removed April 15 of 2008. There are three parties involved: developer, POA, and the owners. The owner of lot 21 has asked to extend the deadline to October 15<sup>th</sup>. The system on lot 3 was reported to have been removed in whole or in part recently. Manager Edquist is to review the properties. The Board determined that the systems would be allowed to stay until October 15<sup>th</sup>, and if not removed by that time, the Board would begin non-compliance fines of \$25 per day and late fees of \$1.00 per day on any outstanding balance. Mr. Edquist is to write letters to this effect and send them to the owners of lots 3 and 21.

Keith then said the Association has been paying for two pumps located on lot 27 and lot 21, installed by the developer to water, respectively, lots 22 and 27, and lots 20 and 21. In regard to 21, the Board directed that Mr. Edquist was to contact Holy Cross Electric and have this meter removed from billing to the POA. Owner of lot 21 will be contacted as a courtesy. In regard to the pump on Lot 27, the Board determined to pay one half of the accumulated billings incurred from the read dates of 6/13/2006, and 10/11/2006, with the remaining billings being the responsibility of owner Broxton on lot 27. These respective amounts are \$48.60 and \$400.12 through July 14, 2008.

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Manager Edquist then asked the Board to review the situation existing on lot 45 at present and on lot 38 in view of letters of Non-Compliance sent to that owner in May. In regard to lot 38, part of the non-compliance issue was addressed, part was not. Previous Board direction was to continue the fines. In regard to lot 45, there is present storage of stone and culverts that were expected to be used in the construction which the DRB understood was to proceed in the near future. Lot 45 Preliminary review was in April. Manager Edquist was asked to contact both owners by phone in regard to these issues and report to the Board the responses of these owners. Lot 38 is to be invited to the next Board meeting to discuss the non-compliance if they wish to do so.

There followed some further discussion regarding the upper ditch, which starts on lot 28 and terminates on lot 1. There is an existing ditch easement on those lots north of Larkspur Drive, however, the existing ditch and piped ditch are not always within that easement. It is to be determined if there is an easement on 28 for this ditch, and there is no existing ditch easement on lot 1 for it. The discussion again centered on who would be responsible for the operation and maintenance of this ditch, all owners, or only those who use it. This was not resolved at this meeting, and a case can be made either way. There was a suggestion an upper ditch users committee be formed, and that some conclusions be reached prior to the formulation of the budget for 2009.

Todd Gressett advised the Board again about the West End Ditch Company, where users on Sunflower Loop propose a diversion of the Harris-Reed ditch to service a multi-user pump setup which would bring irrigation water to participating users at this end of the subdivision. Todd said the users (specifically lots 59-53 at this time) would organize and put into place all the necessary easements at their cost. The plan would be to obtain a ditch easement over portions of association common space on lots 57 and 58, with a pump location on lot 58. Mr. Gressett represented there would be no cost to the POA, and that all expenses in regard to securing the easement, operation and maintenance of the pump and ditch easement created would be borne by the owners benefiting from the irrigation water. He said it would be necessary to survey the easement, finalize it legally and amend the Cerise Ranch phase I plat.

He sought Board approval, which was requested at the last meeting but failed through lack of a quorum. Brenda Broxton and Charles Capobianco again said yes to this proposal, and Todd voted Schmela's proxy in favor. The West End Ditch Company may proceed, but is expected to keep the Board informed of all developments related to this use.

## **New Business**

Manager Edquist passed around the preliminary Reserve Study from Borne Engineering, saying parts of it should be disregarded based upon an incorrect assumption made in review. This is the first draft of the study and the engineers

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need some input regarding contributions to reserves and items to include in the study. He pointed out the section titled Reserve Component Survey Report, and the Board spent most of its time in review of these various items necessary to keep Cerise Ranch well maintained into the future. The time horizon of the study is the next 20 years. Several of these components were identified as small enough in expense to address in the operations budget in the year in which they come due for replacement. Some identified items are expected to outlast the term of the study.

Mr. Edquist said he would contact Borne and go through these items, and also correct the assumptions on which the numbers and graphs in the preliminary study were based. He was hopeful the report could be revised in time for a September Board meeting. The Board discussed the need to review these proposals for the necessary reserve funding, and to discuss these with all the owners prior to the annual meeting in December.

The Board then considered the cost to an owner to purchase rights to build a water feature on their property, since Manager Edquist has had inquiries about this. It was the opinion of Vice President Gressett that the POA did have the rights to sell water features based on the POA rights in water, now finalized and transferred from the developer. Mr. Edquist said the cost in the past had been set at \$5000. Discussion settled on this as a minimum fee, with institution of a sliding scale fee based on size (evaporation) of the improvement. There was also discussion of an annual fee, which would offset to some degree the funds paid to the Basalt Water Conservancy Board for evaporative water rights. Manager Edquist was instructed to indicate the matter is under advisement by the Board.

The date of the next Board meeting was not finalized, but was discussed as Wednesday September 10, 2008

There being no further business to come before the meeting, the meeting was adjourned at 9:10 pm.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela–President

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# **Cerise Ranch Property Owners Association**

## **CERISE RANCH BANKING COMPARISON**

Kim Poukish, Rocky Mountain Accounting Services 8/21/08

### **Current Banking:**

US Bank

-Checking – No Interest

Balance as of 7/31/08 = \$42,142.96

-Capital Reserve Savings - .98% Interest

Balance as of 7/31/08 = \$60,672.64

-Landscaping Deposit Savings - .98% Interest

Balance as of 7/31/08 = \$81,658.50

### **Proposed Banking:**

American National Bank

-Checking - .25% Interest

-Money Market Savings - 1.3%

(Landscape Deposit)

Capital Reserve:

\$10,000

Money Market Savings – 1.24%

\$20,000

13-month time deposit at special rate of 4.5%

\$30,000

3 different 90-day time deposit at \$10,000 per account, each one maturing every 30 days – 2.48%

E-Deposit System

Merchant Services – Accepting Credit Cards

-\$150 set up fee

Transaction Central – virtual terminal (computer)

Monthly Charges

-2.48% (no card present) / transactions

-.10/item

-\$25.00 monthly fee

-Two Times per Year Charged \$28.80 Compliance Fee

Potential Charges to Incur for 1 Year Maximum:

Monthly Fees - \$300

Compliance - \$57.60

% of transactions (128,112) = \$3,177.18

Per Item (68 x 4) = \$27.20

Total = \$3,561.98