

## Meeting Minutes

Annual Meeting of the Alpine Mountain Ranch Association  
Alpine Mountain Ranch Owners' Lodge and virtually by Zoom  
December 16, 2022

President Andy Daly called the meeting to order at 1:00 MST and welcomed owners to the annual meeting.

Suzanne Schlicht, Senior VP and Director of Sales, introduced Russ Sherlock, Andy Daly and herself as the members of the Alpine Mountain Ranch Association (AMRC) board of directors. She welcomed new owners in 2022 including Rene & Mary Lorenz – Lot 40, Chris Knackstedt & Kathy Vetos – Lot 26, David & Lisa Alderson – Lot 17, Rich & Monica Goudis – Lot 44, Stephen Jaqua & Dana Robinson – Lot 55, Barry & Rosie Miller – Lot 22 and Matt & Lisa Davie – Lot 61. Two families, Fernando de la Hoz & Augustin “Konky” Arellano of Miami, Florida, purchased Lot 16 as co-owners. Schlicht mentioned AMRC will welcome another new owner before the end of the year, Marc & Molly Anderson – Lot 35. This will bring AMRC to 43 homesites sold. Schlicht mentioned she is grateful for the owners' support and the true sense of community that has been established at AMRC.

Property manager Audrey Williams reported 14 owners were participating via Zoom, 13 in person and 2 lot owners filed proxies. Daly stated that there was a quorum.

Daly called for approval of minutes of the December 16, 2021, annual meeting. Steve Birch (Lot 9) motioned to approve the minutes, Russ Sherlock (Lot 15) seconded the motion, and the motion passed unanimously.

Williams provided an operation update.

- Owners' portal on the website
  - The Portal is the preferred method booking amenity buildings and cabins.
  - Williams gave a brief demonstration on how to book a stay at the cabin.
  - She is creating a webpage to assist new owners with information regarding various services and vendors that are used at the ranch.
  - She requested owners enter their contact information for the AMRC Community Directory.
- Timber management grant: Audrey worked with Sally Ross, Loss Ranger Wildfire Mitigation, to apply for a \$250K total grant with a 50/50 match from State of Colorado. This amount would cover 10 acres of open space in the Priest Creek drainage. Grant awards scheduled to be decided in March 2023. The \$89,500 transfer assessment, from the sales of Lots 4 and 22 in 2022, will serve as a cushion if we don't receive the full 50/50 grant match amount.
- Ross also connected AMRC with Rocky Mountain Youth Corp for tree removal that is part of a sawyer training program. The Association will pay \$6,800 in 2023 for timber cleanup along Kemry Lane, Hermitage, Golden Eagle and Panorama Drive open space. We can continue with this program in the years to come. These trees will be stacked on the sides of the roadways, and we will need to remove the timber. There is a possibility that RMYC would consider doing this on the owners' properties in the future.
- USPS cluster and parcel boxes: The first mail cluster box has been installed; however, the USPS is having issues with deliveries. Mail delivery to the cluster box should begin in January and then old mailboxes will be removed.

Debbie Dacus (Lot 29) – requested a 4-way stop sign at the intersection of Meadow Creek Dr and Panorama. Daly stated that the Metro District has money in the budget for this project.

Schlicht delivered a sales update saying Alpine Mountain Ranch & Club delivered impressive sales results in 2022 and released 13 final homesites in an area named “Upland Preserve.”

- The community had 10 property sales and \$32M transacted, including 1 Upland Preserve lot. The community is at 68% sold and remains under declarant control. Once we reach 75%, or 48 homesites sold, owners will assume control of the Association. At that time additional owner board members will be needed. We have been working to have a smooth transition from declarant control to HOA control.
- Chuck Reuben (Lot 18) – asked about the makeup of the community when we are sold out. Schlicht said we expect 40% FT and 60% part-time residents.

Dylan Cook, VP Design & Construction, Alpine Master Builders (AMB), delivered a construction update. He presented a map of the current building at AMRC and the construction companies that are doing the building. The map showed 10 owner occupied homes, 11 homes under construction or to be built by AMB, 3 homes by Gerber Berend, 3 homes by Fox Construction, 1 home by Soda Mountain Construction, 1 home by Shively Construction and 1 home by PJ Builds. The builders are trying to be respectful of the owners regarding mud season and running a street sweeper at the end of each day. The construction companies share subcontractors and try to keep truck traffic to a minimum; however, it will increase over the next couple of years. Rockledge Road will not have through traffic, preserving the unpaved section as open space for horseback and hiking.

Williams provided a financial review of 2022 and presentation of the 2023 budget. In 2022, the Association had revenues of \$577K and expenses of \$588K for a projected operating loss of approximately \$11K. Dues revenue was at an all-time high due to 13 lots located on Rockledge Road paying dues beginning September 1. As a side note, in 2023, these lots will pay the full year of HOA dues. The Association also collected \$89,500 in real estate transfer assessment funds from the resales of Lot 22 and 4, which was moved to the capital project fund. The operating loss was primarily due to unexpected maintenance costs related to repairing our aging wood fence around the pastures and cleaning up the Selby water ditch, which provides water from Pine Springs to our meadows for irrigation. The good news is that the Metro District, which owns the ranch’s water rights, will fund ditch maintenance going forward. For 2023 budget, the Association will collect a full year of dues from all 63 homesites. We are projecting revenue of \$578K, expenses of \$578K, resulting in a breakeven year. Of the \$578K in revenue, the budget includes contributions of \$100K to Association reserves, \$140K to Metro District operating and \$5K in contingency. Williams provided the following details:

**2023 Revenue notes:**

- Dues will increase from \$7,775 to \$8,550 or \$775 annual increase (15%) resulting in an increase of \$116K over 2022.
- Design Review fees, which are essentially a wash with Design Review expenses, are projected at \$47K, or about ½ of the \$45K we collected in 2022. These are difficult to pinpoint.
- We are not budgeting for any real estate transfer assessment revenue. Lot 24 is listed for sale, however if it sells, the board anticipates giving the transfer assessment to the Metro District to fund a new well.

Daly added that the Metro District has 100-acre feet of water from Stagecoach (augmentation plan), which is leased in perpetuity. Every 7 years we have to prove our water usage, which we keep yearly records and submit to the state. Since the drought things are being monitored more closely. Speer commented that the aerators in the pond don’t seem to be working this year, the pond is totally frozen, and he is concerned about dead fish. Williams said she is aware of the issue and is working on it. The Association reserve has \$5k to replace the aerators in 2023.

### **2023 Expense notes:**

- The management fee the Association pays to reimburse will increase from \$99K to \$104K. The Metro District will be reimbursing Corporex \$15K. This is for Audrey's salary and benefits, accounting costs, and a portion of our weekend part-time help.
- The budget includes \$4,100 in 2023 for water fees, which will be paid to the Metro District. In the past, our amenity buildings were not billed for water.
- Expenses associated with the new Guest Cabins for utilities, trash, internet/Wi-Fi, etc., were added in 2023.
- \$3,500 additional included in Landscaping expenses in 2023, which will allow us to add needed annual tree maintenance at the Owners' Lodge and the front entrance.
- Fence maintenance is expected to be about \$14K in 2023 versus \$22K in 2022.
- In 2023, we will contribute \$140K to the Metro District for operating expenses.
- We will contribute \$100K to the Association capital reserve in 2023, which is double the \$50K contributed to reserves in 2022.

### **10-year Association capital reserve plan**

- In 2022, the Association converted the Owners' Lodge firepit from wood burning to propane for \$13K (\$3K over budget), installed a cluster box for \$2,400 (\$2K under budget), purchased Patio furniture for \$18K and relocated the North Overlook trail from Lots 1 & 2 to the Open Space for approximately \$4400.
- In 2023, we plan to perform fencing at PCR (\$15K), stain exterior of original guest cabin (\$15K), construct a horse shelter (\$30K), add 2 new parcel boxes and 1 more mail cluster box (\$7,800), and conduct timber management as I discussed under the operations update (\$132K300)
- Speer (Lot 31) expressed concerns that the reserve fund going forward will not have enough money in later years.

### **Metro District**

Daly provided an update on the Alpine Mountain Ranch Metro District. He explained the Metro district is a quasi-municipal district. This means the directors are elected. To be eligible, you must be registered to vote in the state of Colorado and must live or own property in the district. Speer, Schlicht, Bob Dapper and Daly are current board members.

In 2020, we refinanced the Metro District debt from 9% to 4.5% and pulled out funds to pave Rockledge Road and upgrade the water system. The first part of the water system upgrade was to add Beacon meters to the existing homes at both AMRC and PCR. This allows us to read the meters remotely, get alerts for leaks and to ensure we have enough water in the future. The goal is to manage our water and preserve the aquifer. We have six sources of water, 4 wells that are drilled and pump water, 1 that is drilled but not outfitted with pumps and 1 infiltration gallery. To achieve this goal, we plan to 1) Implement alternate watering days based on your address (even addresses will water on Mon., Wed. & Fri.; odd addresses will water on Tues., Thurs. and Sat.) and 2) Implement a water usage charge starting in the second quarter of 2023.

The next goal is to reduce the Metro District's financial dependence on the Association, ensure we have adequate water rights & storage and upgrade the water system. By implementing the usage fee, increasing the mill levy, and share in transfer assessment revenue when lots/homes are resold. PCR will continue to pay a flat rate per its original agreement. Once AMRC reaches 75% of the 63 homes sites built, then PCR will move to the usage rates.

Rich Goudis (Lot 44) commented that we have 10 homes completed, how do we ensure we will have enough water when there are 63 homes. Daly added that once we have 2 years of water usage data, we will be able to project the future water needs for 80 home sites of the two developments. Goudis asked if there be exceptions for watering new landscape projects. Daly said yes, we will have a policy and a permit process. Williams added that owners can view their water usage on the EYEONWATER app. Williams will email each homeowner their account numbers.

Mary FitzSimons (Lot 14) asked if the rates are tiered based on usage and is there a penalty for overuse? Daly replied that there is no penalty for overuse, however the homeowner would just pay higher water rates per gallon. Daly said we'd distribute rates in the first quarter of 2023 along with the watering schedule.

Daly called for **New Business** and the following topics were raised.

- George Strompolos (Lot 19) – Is there an update for shared property management services to combine efforts for economies of scale? Schlicht said her initial feedback with 9 homes is there isn't enough demand to fund a new position. Daly added that he and Bill Butler have no interest in being in the property management business and Audrey doesn't have the capacity to take this on. Strompolos requested we conduct a survey to see if there is interest in owners working together on a solution. Daly said he would work with Suzanne and Russ to create a survey.
- Strompolos requested the development build a beginner/intermediate bike trail in 2023 and added he didn't believe it would cost that much to create one. He recognized that there are lots of bike trails in Steamboat but said it would be nice to have a loop that starts out our backdoors. Sherlock commented that trails may not cost much to create, but we have to consider maintenance costs, as well as funding all the other programs such as horses, golf path, fishing, hiking, airport/local transportation.
- Strompolos expressed a desire to have more frequent dialog among owners. Daly suggested we have a community event just after the July 4<sup>th</sup> holiday, during which the group can discuss new board members and the survey.
- Strompolos would also like to see a ski trail down from the ski area and wondered if we could mark a trail, cut trees in summer, and make it safe? Daly said there exists a drawing for a lift from when the development was started, however, there are several hurdles that prevented us from moving forward.
  - The new trail is not in the permitted ski area.
  - Most of the terrain is designated critical winter elk habitat.
  - This would also require a parking lot for public access to the lift to meet forest service requirements.
  - We would need to have the ski area, forest service and Routt County approvals.
- Speer stated that he has skied the terrain and there are very limited good days due to the southern exposure. He had also marked a trail in the summer, but the Forest Service took down all the markings. He also mentioned one would have to cross private property at Pine Springs development.
- Goudis requested leadership begin to build leverage on preferred suppliers, like Audrey did for the snow removal? Williams said she is working on a new web page for owners with a list of various services and vendors.

- Goudis asked how the new guest cabin reservations system work? Requested we consider a higher rental charge instead of just cleaning fees? Schlicht explained the priority booking system. You can put in your requests twice a year one for the summer/fall season and one for winter/spring season. When there is a conflict in a requested week, the owner with the priority gets the stay. That owner is then moved to the bottom of the list. We try hard to give everyone one of their top three choices. She added that we can look at the annual cost of maintenance and supplies divided by the number of nights used and come up with a fee.
- Goudis noted on the plat there is land marked for RV Storage and wondered if we should start to develop this land? Schlicht said there is a one-acre parcel that is designated on the plat for RV storage. Currently the land is being used by the caretaker at Priest Creek Ranch (PCR) for cattle. We have informed them that we will be taking back the land and adding a fence this spring. PCR has stated concerns about AMRC developing the parcel. Daly suggested that we add a question on the survey asking if there is a desire for a recreational storage facility.
- Goudis mentioned concern with construction work hours, noting people working until 10pm. Asked that we reassess the permitted work hours and potentially close the main gate on the weekends to make it safe for children to play? Cook said current allowable work hours at the ranch are 7am – 7pm Monday – Friday and 9am – 5pm on the weekends. Chris Knackstedt (Lot 26) mentioned understanding the concern but noted cost tradeoffs with getting building projects completed on time and on budget. Schlicht said we can do a better job enforcing the work hours. Please call us with any ongoing concern, so we can deal with the situations as they arise. She noted that to change the working hours, would require changes in the governing documents.
- Carrie Reuben (Lot 18) asked for an explanation if the Alpine Mountain Summit Club. Schlicht explained the summit club has 150 memberships available and at the beginning of 2023 there will be 112 active members. New memberships are only being sold to AMRC owners. We have a waiting list of buyers for resigned membership. One Steamboat Place (OSP) will be back to full service this year with breakfast and Happy Hours. They are struggling to find workers.
- Reuben noticed the poster in the OSP lobby for snow shoeing/cross country skiing and tubing at the ranch for OSP owners. What privileges do the summit club members get at AMRC? Schlicht explained that OSP owners do not have any privileges at AMRC. We offer these events once a week for marketing purposes and there has been very little participation over the past 2 seasons.
- Speer mentioned deteriorating road conditions. The Metro District received a quote last spring for a 2” overlay for approximately \$1,750,000, which is about \$28,000 per home owner. He is concerned owners aren’t building reserves to take care of this. In 5 years, the cost could be \$2,500,000. Believes Association should be putting at least another \$2,000 per homeowner away each year and planning for future building and road repairs and maintenance. Daly said the Metro District is taking into consideration all the various issues of road, water and buildings in its future planning.
- Cook mentioned the market home on Lot 36 will be completed this spring, and at this time the golf path will need to be regraded. He wondered if the Association would want to fund having the full cart path graded.

With no other new business noted, Daly made a motion to adjourn the meeting. Speer seconded and the motion carried. The meeting was adjourned at 3:00PM.