

Oakridge Village II Annual Meeting
Tuesday, January 29, 2019
Council Tree Covenant Church

Board Members Present

Jim Cook, Bill Bohlen, Linda McGlothlin, Chad Whisenant, Jan Harvey

Prior to the start of the meeting, while homeowners were still signing in, Jim introduced the current Board members, talked about the HOA website, and acknowledged Carl Scafidi for his ongoing help with the HOA website.

The meeting was called to order by Jim Cook, acting President, at 7:15 PM.

Approval of January 23, 2018 Minutes

Jim explained the reserve study that is referenced in the minutes. It is a physical analysis of the common interest property and is used as a tool to manage the financial demands of the property. It outlines the responsibilities of the association for maintenance, improvement and replacement for the common area. The study documents what the HOA is required to maintain over a 50-year plan. It is required by the State of Colorado. The document estimates our future costs. One of the largest future maintenance costs of the association will be the eventual replacement of the concrete drain pans on the open areas.

Bill Bohlen moved that the minutes of the January 23, 2018 annual meeting be approved as submitted. Chad Whisenant seconded the motion. The motion was approved by a voice vote with no one opposed.

President's Report – Jim Cook

The association pays for a minimum number of hours for the snow removal company to come out and clear the HOA sidewalks, even if there are only a couple of inches of snow. In an effort to keep down costs, the Board is asking for volunteers to assist in clearing the sidewalks adjacent to the common areas. The HOA is considering the purchase of a used snowblower that can be used for this purpose. Volunteers were asked to send an email to Jim.

Architectural Control – Chad Whisenant

Homeowners were reminded that there is a form on the HOA website that must be completed before any changes are done to the exterior of a home, including removing trees or replacing fencing. Before exterior work is done it is necessary to talk with adjacent neighbors about any proposed changes. Please note that two homes on McMurry added solar panels in 2018. The posted paint policy clarifies that any change in exterior color must be approved by the ACC.

Landscape Change Subcommittee

Bill Bohlen, Casey Cisneros, Roger Sherman and Dan McGlothlin are serving on the new landscape change committee.

Bill is Vice President of the Board and will serve as the HOA liaison.

Casey is a natural resource manager for Larimer County.

Roger is a landscape architect with BHA Design in Fort Collins.

Dan, retired, was a hydrologist with the National Park Service.

This committee will work on plans for some low water landscaping in our common areas. Their first goal will be to develop plans for two test plots – one in the open space between Elderberry Court and the railroad tracks, the other in the HOA “coathanger” across from Honeylocust Court, adjacent to the golf course. These plans will be made available to homeowners. After the plots are developed, homeowners will be given the opportunity for input.

Our HOA has contacted other HOA's affected by the water surcharge. Casey has even helped the HOAs that manage the park on the north side at the end of Keenland, come up with a water reduction plan.

We have worked closely with the City water utilities office to explore workable solutions for this awkward position that our city councilmembers have put us in. The City council seemingly voted to approve the increase without fully understanding the impact it would have on HOAs. People in the utilities office and water conservation department of the City have been very helpful.

A concern was raised about the effect low water landscaping could have on the value of homes that now back up to open space of plush grass and trees. Homeowners were assured that everyone would have an opportunity to see the plans before the plots were implemented and have input once the plots are in place. Roger Sherman explained that the committee will explore a variety of ideas for areas, looking at the way the areas are currently used. He explained that there are many great examples around Fort Collins of mixed turf (manicured areas and natural areas) that blend together and look fabulous as well as conserve water. Our common greenspace can be a model for other communities

Property values are important and certainly will be considered.

Bill Bohlen, HOA liaison on the committee, said one of the proposed sites for a test area will be behind his Wheaton home. Two of the four members of the Landscape Change Committee and three of the five current board members own homes that back up to HOA open space.

The landscape change committee will also work on a master plan for reducing water usage through landscaping. Any major changes must be approved by the City of Fort Collins because our Site and Landscape Covenants with the City designate the current open space landscape plan.

The City has proposed an option, the AMP (Allotment Management Program), which would delay the proposed water surcharge for up to three years while HOAs have an opportunity to develop plans to make low water usage landscape changes. The AMP will not be voted on by the City Council until May 2019. Jim reminded everyone that landscape changes will have a large initial expense. If the AMP is approved, the HOA would participate. Money saved by the temporary deferment of the surcharge could be used toward low water landscape.

Water Issues on Wheaton across from Coralberry Court

Concerns were raised about the water in and around the area fronting Wheaton across from Coralberry. Ice build up on the street along Wheaton in that area is from a high water table that is causing sump pumps on a couple of homes in that area to run constantly. Water from at least one sump pump drains into the street. That water table usually drops in the winter, but this year it has not and has caused severe ice problems in the street.

The water table is elevated when the golf course pond is full. In the growing season, water is pumped from the pond to irrigate the golf course. It is kept full in the growing season with water diverted from the irrigation ditch. In the fall, the pond normally empties and is mostly dry, but this year it was still mostly full in December due to water still coming from the irrigation ditch. Apparently, the irrigation ditch was still delivering water because an upstream gate had not been closed properly. It has now been closed, so the water level in the pond has dropped and the amount of water getting pumped onto Wheaton has diminished. However, the problem will return in the summer irrigation season. An underground drainage pipe system designed to divert water from the area and take it under Wheaton and into the storm water system already exists. This spring, work will be done to test whether homes currently draining their sump pumps into the street can utilize this drainage system instead.

Neighbors expressed concerns that if, in an effort to fix some of the water problems, new problems could be caused for nearby homeowners who currently aren't having water issues.

Brian Brooks, a homeowner who lives in that area, agreed to help Jim address the problems.

Budget

The proposed budget for 2019 would include dues of \$655 per year, an increase of \$175.

It was noted that in 2018 there was additional income of \$2,250 from transfer fees. These are fees collected by the HOA when a home is sold.

Printing costs were higher than normal in 2018 due to all of the mailings with information involving the water surcharge.

\$2,000 was budgeted for the Landscape Change Committee to be used for low water usage test plots.

\$2,000 was budgeted for possible legal fees for an attorney to look into some of the issues involving the water surcharge increase.

The water used to irrigate the greenspace near the mailboxes on Keenland and Wheaton is paid for by Oakridge 1 and we reimburse them for the cost. We received an invoice for just under \$500 from Oakridge 1 in late December that we paid in January 2019.

The major increase in costs for 2019 will be for the water cost increase due to the large water surcharge the City will be collecting and for a loan to purchase additional water allotments.

Water Cost Increase

Jim summarized the information previously provided in mailings to the homeowners.

In 2017 the City Council voted to increase the water surcharge on all commercial accounts. Because of the size of the water taps used by HOAs for irrigation, they are included as commercial property.

The cost of the surcharge, which is added to the basic cost of water used after the HOA's allotment has been reached, will continue to rise in the future. It's expected to increase every two years.

Currently the water usage by the HOA to maintain its 7.28 acres of open space is within 2-3% of what the City considers very efficient, however we typically use about double the allotment the HOA has.

The goal of the HOA is to reduce water usage. A 33% decrease would be considered very aggressive. A realistic goal that the HOA will strive for is to reduce water usage by 17% this year.

Purchasing additional water rights and cutting our use of water will put the HOA on sound financial footing in future years. In the past, we have depended on our landscape contractors to monitor irrigation controls and fix broken sprinkler heads, but we have realized that the landscape company was not fully engaged in managing the irrigation system. Volunteers have re-mapped all the sprinkler systems and Jim has changed out several sprinkler heads that were broken but unnoticed by the landscape company. Moving forward, the board thinks we, as homeowners, can do a better job managing and keeping the system running most efficiently by sharing the duties of monitoring the irrigation system while it is in operation during the summer months. We need more volunteers to share this load. If we had several homeowners to volunteer to monitor the system for several weeks in the summer, we could share the responsibility and reduce costs and water usage. We are convinced that we can reduce our water usage by monitoring the sprinkler system more closely.

The purchase of additional water rights will be financed with a bank loan – probably with a ten-year payback.

Questions about the new budget

If the HOA takes out a loan will homeowners be individually liable if there is a problem?

No one would be personally liable. The loan would be taken out by the Homeowner's Association based on its assets, which includes the dues and reserves.

Will the HOA own the water rights?

No, it will not own the shares. It will own the allotments that will be associated with our irrigation water taps.

If \$145 is needed to secure the loan, why raise dues \$175 per year?

The loan will be used to purchase additional water allotment that will only partially close the gap between our existing allotment and anticipated water usage. We do not want to buy additional water allotment that we end up not using. So, we still need to increase the budget beyond the estimated loan payment in order to pay the new surcharge on the portion of our water usage we still anticipate using above the new allotment.

Quorum for vote

Because dues will be raised more than 5% for 2019, a quorum of 60% of the members of the HOA had to be present at the meeting either by proxy or in person. At least 67% of eligible voters needed to vote in favor of the increase.

There are 94 homes in Oakridge 2 HOA. 60% of 94 = 57 (number necessary for a quorum)

In attendance

45 – owners of property present in person

34 – proxies

79 – quorum established (84% of homeowners were in attendance in person or by proxy)

Votes were cast by written ballot.

75 votes in favor of the increase – 95% in favor

4 votes against the increase - 5% against

The 2019 budget was approved as submitted.

Amendment and Bylaw Changes

Bylaws may be amended by a majority vote with a 25% quorum at the meeting.

Jim explained that some of our bylaws are obsolete and others are just difficult to follow. The following changes were proposed for the Bylaws and presented as the First Amendment to Bylaws of Oak Ridge Village II Association Inc.

- Revise the designated offices
 - Change principal office mailing address
 - Change the registered office address to agent on file
- Remove Class B membership since such membership entitlement has expired
- Remove the requirement that proxy forms be notarized
- Revise nomination and election requirements for directors
 - Remove need for Nominating Committee
 - Remove Declarant right to designate and appoint the Board of Directors since such right has expired
 - Clarify how nominees are elected to the board of directors when number of nominees is greater than the number of open board positions
 - Allow election to board of directors at annual meeting without quorum reached if number of nominees is less than or equal to number of open board positions
- Clarify Board of Director duty to provide each homeowner an annual financial summary
- Remove option to provide written notice of Board of Director meetings by telegram, and add option to provide such notice by digital correspondence.

The full text of the proposed amendment was presented and reviewed. Homeowners were provided the opportunity to clarify or revise each proposed change. The following additional change was proposed from the floor and after voice consensus was added:

Include the feminine case whenever masculine case is used (I.e. his or her, he or she)

The amendment was voted on by written ballot.

79 votes to approve the changes

0 votes not to approve

The amendment was approved.

Election of directors

Board of Director members are elected to serve for a term of three years (unless they choose to step down early.)

There are currently three openings on the board.

Bill Bohlen's term is expiring. Bill has agreed to run for reelection.

Roger Sherman volunteered to serve on the Board. Roger told the homeowners that he moved into his home on Coralberry Court in 1999. He is a landscape architect and co-owner of BHA Designs, with an office in Oakridge. He explained that because of the ever-increasing cost of water, changing the landscape will be necessary now or later. There are some great examples of beautiful landscapes that include both native and manicured landscape (I.e. Spring Canyon Park). Native seed does not make sense everywhere, but it would make sense in low use areas, fringe spaces and areas that are adjacent to other native areas.

If we do this right, Oakridge could serve as a model for water conservation and inspire other neighborhoods to do the same.

Bill nominated Susie Kiesling to serve and she agreed. In her words "If called, I will serve." Susie shared the following about herself. She has lived in Oakridge since 1993 and is raising her 12 year old grandson. She asked that everyone look forward as we move on through our water surcharge challenge. She reminded everyone that what the city did in the past is no indicator of what they are currently doing – specifically the use of polybutylene water lines that run from the City water shut off valve into many homes in our neighborhood. Polybutylene is no longer allowed because those lines are failing. She suggested homeowners look into Home Warranty insurance that would cover the cost of replacement.

With no other people interested in running for the three open positions, Bill, Roger and Susie were elected to the board by voice vote.

Thank you

Diane Odbert thanked the board for all of their hard work on behalf all of the Oakridge homeowners. Her comments were met with applause by those present.

With no further business the meeting was adjourned at 9:00PM.

Respectfully submitted,
Jan Harvey
Secretary