

Spring Valley Golf Estates

Annual HOA meeting – January 10, 2019

Location – Alpine Elementary School

BOD members in attendance: Rick Newcomb, Jim Sarvadi, Walter Hopp, and Tammy Thompson.

Flagstaff Management was represented by David McCarty

19 - SVGE homeowners were in attendance, with an additional 33 proxies, totaling 52

6:38 - Meeting Commenced

Proof of the Meeting provided by David with Flagstaff Management

Vote: The Minutes of 2018 Annual Meeting were unanimously approved

Rick started with a review of last year. The old decayed safety wood chips in the playground turned the playground into a weed factory and were completely removed. The old weed fabric was removed, the ground was re-leveled, new heavy-duty weed fabric was installed and 72 cubic yards of all new playground safety wood chips were installed. Additionally, two new park benches were installed to give residents a better place to observe the playground. The large double slide in the playground was damaged and also had to be replaced. The HOA saved \$1,400 dollars on the installation. New sprinkler controllers were installed in the large and small parks. Smart control sensors were installed on all four of the HOA controllers, it is hard to determine, but it the HOA appears to have saved approximately 10% on the water bill. The items above cost over \$11,000. These repairs and improvements were already set and agreed upon prior to the decision to replace the South Pump Station.

At the beginning of the year it was determined the South pump station had developed a large hole in the side of one of its check valves. The repair of this was going to cost about \$11,000 with no guarantee of the repair creating additional issues. The Board decided to look at alternatives, which led to the full replacement of the South Station, at a cost of about \$104,000. The new system is variable speed 3-phase industrial pumps, commonly used in mining operations. The new pumps start and stop slowly, reducing wear and tear and enabling the pumps to match pumping demand during the summer months of over 400 gallons per minute. The winter appears to be near 100 gallons per minute flow rate. The large black plastic (HDPE) basket sitting in the street for about 4 months was delivered to the HOA by mistake. We required one, already in place, not two of them. The HOA ended up purchasing and is able to use the additional basket. We saved approximately \$15,000 on their mistake.

The Board put forth a resolution to replace the North station for many reasons. Boulder Ground Water just did this project and is able to utilize all the same suppliers, knows what they ran into and can do the project this spring. We don't have to build a structure around the black plastic basket if we use it in by then. FirstBank of Longmont has approved a 6.5% loan for \$100,000 to complete the project.

Unanimously, the Board felt it prudent to go forward with the loan to complete the project as soon as practical and had a Resolution and Ballot drawn up by the HOA attorneys. All Board members were in full agreement with the Resolution and it was signed into effect December 19th, 2018. Pursuant to Article XV of the Declaration of Covenant, Conditions and Restrictions and Article IV, Section 16 of the Bylaws for Spring Valley Golf Estates, the Board has received signed consent from 98 of 146 homeowners (67%), via the above Ballot, to go forward with the full replacement of the North Pump Station project using Boulder Ground Water. This exceeds the minimum 51% required by the HOA Covenants. This ballot also provides signed consent to procure funds from the FirstBank of Longmont in the amount of \$100,000 at 6.5%, in agreement with the bank's terms, which give consent to assign HOA future income, including its right to receive Common Expense Assessments as collateral for the FirstBank loan in full. This would only happen if the HOA defaulted on its payments to the FirstBank of Longmont. Homeowners realize this project is budgeted for and fully funded in 2019 and subsequent years via dues increases. Quarterly dues were increased to \$160 per quarter for 2019 and are projected to increase \$10 per quarter (per year) for years 2020 through 2022. This year's increase along with projected increases cover all day to day expenses, the loan and also work to replenish our depleted Reserve Fund for future years.

State Farm determined the HOA owned fences was damaged by the August 2018 hail storm and will be paying over \$34,000.00 to re-finish all HOA owned fences, this includes the three-rail fences around the sub-division and in both parks, along with the HOA owned fence along Pace Street. The members present at the meeting expressed a desire to see a sample of the color picked by the Architectural Review Committee and Board prior to re-staining the entire HOA. The Board will try to work this request out for the members.

Rick then briefed on the budget for the year. The Board is required by Colorado State Law to be prudent and fiscally responsible. The 2018 budget has a \$20 increase for 2019 to cover the cost of the loan and pay off the South Pump Station. Again, quarterly dues will likely have a \$10 increase for the subsequent 3 years.

Rick advised the Board of Directors are responsible for setting and approving the annual budget, but still likes to get feedback from all in attendance. The members were asked if they approved the budget. The 2019 budget, which included the \$20 increase, was unanimously approved.

Tammy Thompson, who replaced Peter Richardson, the previous secretary, is up for re-election. The audience was polled for any interested parties to fill the position and no one was interested in the position. Tammy was unanimously approved for another 3-year term.

Rick asked if anyone had anything else before the end of the meeting.

The results for the drawing for one free quarterly dues are as follows:

Attendees: Gary Levy – 1908 Glenarbor Way & Dave McIntyre – 855 Glenarbor Circle

Non-attendees: Paul Merselis – 614 Glenarbor Circle & Michael Odell – 519 Ashford Drive

8:20 - PM meeting adjourned