

# Panorama Ranches

## 2015 ANNUAL MEETING

January 30, 2016 Missouri Heights Schoolhouse

### CALL TO ORDER

The 2015 Annual Meeting was called to order at 6:00 p.m., by Board president Susan Burr. She reviewed the guidelines for speaking at the meeting, and then introduced Association Manager Keith Edquist to call the roll.

### ROLL CALL, NOTICE and QUORUM

Mr. Edquist stated that Notice of the meeting had been mailed to all owners. He then called the roll. There were 22 owners present and 6 proxies, making a total of 32 owners' votes represented, of the 56 lots. Those who have more than one vote because of proxies or multiple lots were noted on the roll call form and in the totals above. Keith stated that a quorum of owners was present and that business could be conducted. Director Hall then made a motion to approve the minutes from the last annual meeting held January 17, 2015, which was seconded and passed. These approved minutes of the annual meeting for 2014 have been posted to the website.

### INTRODUCTIONS AND CALL FOR CANDIDATES

President Burr introduced the present Board of Directors. She said that with the retirement of Director at Large Wayne Hall, there is need for a new director. She asked for owners interested in joining the Board and said the Election of Directors would come later in the meeting.

President Burr took a moment to review the activities of the Board and the Water Committee:

- Susan thanked the members of the Water Committee for the research and work they had done in examining options for the repair/replacement of the Sunlight Drive section of the water line. Water Committee members are Chair Ted Diamondopoulos, Davis Farrar, Rob Tobias, Lance Quint, Craig Heydenberk, Don Edmonds, and Tom Flynn.
- She thanked Wayne Hall and Doug Cernonok for providing their homes for the board meetings throughout the year. She thanked those owners who attended the emergency meeting at Wayne Hall's home last spring concerning the Sunlight Drive break and the discussion of video inspection of the Sunlight pipeline for 150 feet in either direction. Lastly, she thanked Wayne Hall and Tom Flynn for hosting two Q&A meetings for interested homeowners concerning potential remedies for the Sunlight Drive water line replacement
- She thanked Board Treasurer Christine Kroening for streamlining assessment payments and financial reports, and Secretary Doug Cernonok for updating the owner's contact lists. She said also that minutes and financials are now more rapidly posted on the association website.
- She thanked those owners who got out and sprayed for thistle this past summer, and noted the HOA had been reimbursed by the county for a portion of the expenses incurred.

At this point President Burr asked for a show of hands for those in favor of having the open space weed control done from atvs versus persons carrying backpack sprayers. There were comments for and against the use of ATVs to attack the problem, and similar comments related to backpack sprayers. A second call of the question and show of hands resulted in a 26 to 4 vote in favor of having weed control done by applicators with backpack sprayers. Owner Farrar offered to go out this spring and locate by GPS various weed hotspots, and then provide that information to the applicators. There was general agreement that the spraying needs to be done by May, and that a second application might then be necessary later. There was a request to have the adjacent 46 acre property reported to Garfield County for spraying early on as well.

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## ACA REPORT

President Burr then introduced the Chairman of the Architectural Control Authority for Panorama Ranches, owner Ben de Sugny. Ben made a brief report regarding working with potential lot buyers, assisting with property reviews, and thanked departing ACA members Janver Derrington and Doug Lassiter for their contributions. He said the ACA meets the first Thursday of each month if there is business for them to conduct, and asked owners contact him no later than a week in advance should they have questions, requests, or projects for review. When there are projects, Ben said he worked with management to get out to all owners the "Notice of Change of Status to Property". Members of the Architectural Control Authority (ACA) are: Frank Kroening, new owner Lucas Rains, David Zamansky, Ben de Sugny, and Hans Brucker.

## WATER OPERATOR'S REPORT

President Burr introduced owner and Water Operator Davis Farrar to present the water report, and recap his activities in regard to the water system in the last year. He reported the installation of a water valve at the Sunlight Drive corner, and re-discovery of a buried valve at Buck Point Road. These allow shut down of portions of the water system should leaks develop, without complete shutdowns of the system that would affect all owners.

Davis displayed a graph of water use by month over the period of January 2014 to January of 2016. Line breaks on Sunlight were traceable on this graph. He said there were no issues with Panorama's water quality in 2015, but went on to say that the Colorado Department of Health and Environment (CDPHE) will be conducting a survey and inspection of the Panorama water system this coming May. He said he had arranged to conduct a trial inspection with CDPHE this March, in order to be prepared for the real thing in May. He said there is a new state requirement for a greater parts per million (PPM) concentration of chlorine in the water, but that the present methods of so protecting the Panorama system's water meets or exceeds the new standard.

Davis also noted that individual owners must have a proper backflow device installed on their home systems, and that this device is to be inspected annually (this is already a requirement for all homeowners). He said there would be an email survey conducted to which all owners will need to respond regarding backflows, again required by CDPHE. This will be a Board led project this late winter into spring.

He said the Board had purchased a warning light for both the tank and pumphouse. The tank also has an audible alarm. He asked that he be called anytime 24/7 if owners hear the alarm on the water tank. Director Hall said owners should contact him, Davis, any Board member or management for either audible alarms or flashing lights on the tank or the pumphouse. Either is indicative of problems with the water system, and consequently very important.

## TREASURER'S REPORT

President Burr introduced Board Director and Treasurer Christine Kroening. She introduced accountant Kim Clinco and provided an overview of changes made this year in handling assessment payments, bank statements and website postings of financial information. She said that the Board minutes and the redesigned financial reports are posted to the website, usually within 2 weeks of review. Minutes now contain a summation of the bank balances as of a particular date. As of the date of this meeting, the account balances were:

## TREASURER'S REPORT-cont.

|                    |             |
|--------------------|-------------|
| Operations Account | \$15,663.58 |
| Clearing Account   | \$ 283.72   |

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Reserve Account     \$ 54,373.27

Christine said the clearing account was established to allow operational assessments and reserve assessments to be separated and more quickly moved into the proper accounts. In addition, assessment payments are now sent directly to the accountant's POB 72, Snowmass Colorado 81654. This has facilitated payment reporting; the new payment address is included on the quarterly statements. She also noted that online banking is in use for review of the account status on a more frequent and immediate basis.

Accountant Clinco then went through the balance sheet and profit and loss (income) statements. There were questions regarding the Repair line item expenses and those charged to Reserves, as well as the Reserve fund balances at the beginning and end of 2015. These matters were satisfactorily resolved in discussions.

President Burr then called on owner Tom Flynn to provide the Water Committee's report.

## **WATER COMMITTEE REPORT**

Tom Flynn had prepared a Power Point presentation for use in the meeting, outlining the recommendations of the Water Committee to the Board for the repair/replacement options for the Sunlight Drive water line. The Water Committee was established at the 2014 annual meeting.

The committee had examined the various methods and costs of replacement of the Sunlight section of water main, and had concluded that a 'compression' method would be most effective. This would pull a new pipe through and inside the existing pipe, minimizing street repairs while still providing sufficient water flow for fire fighting at the end of the line. Tom said that \$87,860 had gone to fixing about 120 to 140 feet of the 1400 foot Sunlight main over the last four years.

There followed questions about the costs of video inspecting of the interior of the rest of the line, (since only 150 feet either way from the recent breaks could be done with locally available equipment), the possibility of only replacing a part of the line where the leaks seem to be recurring, the inability of video to see the outside of the pipe and how it is bedded etc. These discussions were extended in length. The membership was mailed, and was emailed twice, a flow chart outlining a decision process for proceeding with this extremely important question regarding the water system. This too was displayed (flow chart is a part of these minutes-Exhibit A), with questions and comments regarding what might happen with or to the rest of the nearly 15,000 linear feet of the water system if \$90 to \$160 thousand dollars were to be spent just on this Sunlight Drive section.

Of the options displayed one was to continue the recent practice of hoping for the best and paying for line break repairs as they occur. Owner Karen Cox made a motion to continue this methodology and hope to build reserves without any more breaks, which motion was then amended by Rob Tobias to include video of the line, should a break occur, to a point at which the line is 'good' (i.e.- without visible interior faults). This amended motion was accepted by Cox, seconded by owner Davis Farrar, and subsequently passed by the membership 18 votes to 15, including those voting by proxy. This obviated any need for a vote on payment options for line replacement, concluding Mr. Flynn's presentation. President Burr then called for discussion of the proposed budget for 2016.

## **BUDGET REVIEW**

The draft budget having been sent out with the meeting mailing, there was a motion made by Davis Farrar to accept the budget as proposed, including the continued level of reserve assessments established last year. Treasurer Kroening seconded and the motion passed without dissent. This budget will be posted to the website. Farrar made a request that 'actuals' for prior years be shown on future budgets, instead of the approved budget figures.

## **NEW BUSINESS**

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The next order of business concerned a bylaw revision. Text of this had also been provided in the mailed meeting materials and was available at this meeting. Owner Farrar made a motion to amend the bylaws as presented. Discussion followed in regard to the pumphouse on owner Damke's property, and Davis amended his motion to state that "structures owned by the HOA will not count against an individual owner's outbuilding count". This amended motion was seconded by owner Lance Quint. Owner David Zamansky, a member of the ACA and the owner who brought this issue forward last year, said the language was 'not clear' and not what he expected in the amendment. The question was called and the bylaw amendment was accepted by a vote of 19 to 11, proxies again included.

Owner Rob Tobias said the Hunt Ranch property had been sold, and reminded owners and the Board of possible need of private funds to oppose unfavorable development there. Little is known of the buyer's plans for the property at this time.

## **BOARD OF DIRECTORS**

Secretary Doug Cernonok opened the floor to nominations for the Board of Directors. Owner David Thiel, having taken an active roll in tonight's meeting, was 'urged' to become a Director, and accepted. He was elected by acclamation, there being no other nominations. Bylaws state that Directors terms are to be "a minimum of two years and they are to serve until their successors are duly elected by the members of the association at the expiration of the term". The new Board consists of Doug Cernonok, Susan Burr, David Thiel, Jonathon Schuss and Christine Kroening. The Board will set its officers for 2016 at its next meeting.

## **OLD BUSINESS**

President Burr reminded owners that barking dogs are in violation of the Protective Covenants for Panorama Ranches. Section 2 , paragraph C states "household animals are permitted with consideration of the following concerns; minimization of noise" and that "Removal of animals is at the discretion of the Board". The Protective Covenants are available online at panoramaranches.org for reference.

## **ADJOURNMENT**

The Annual Meeting was adjourned at approximately 8:40 p.m.

Respectfully submitted

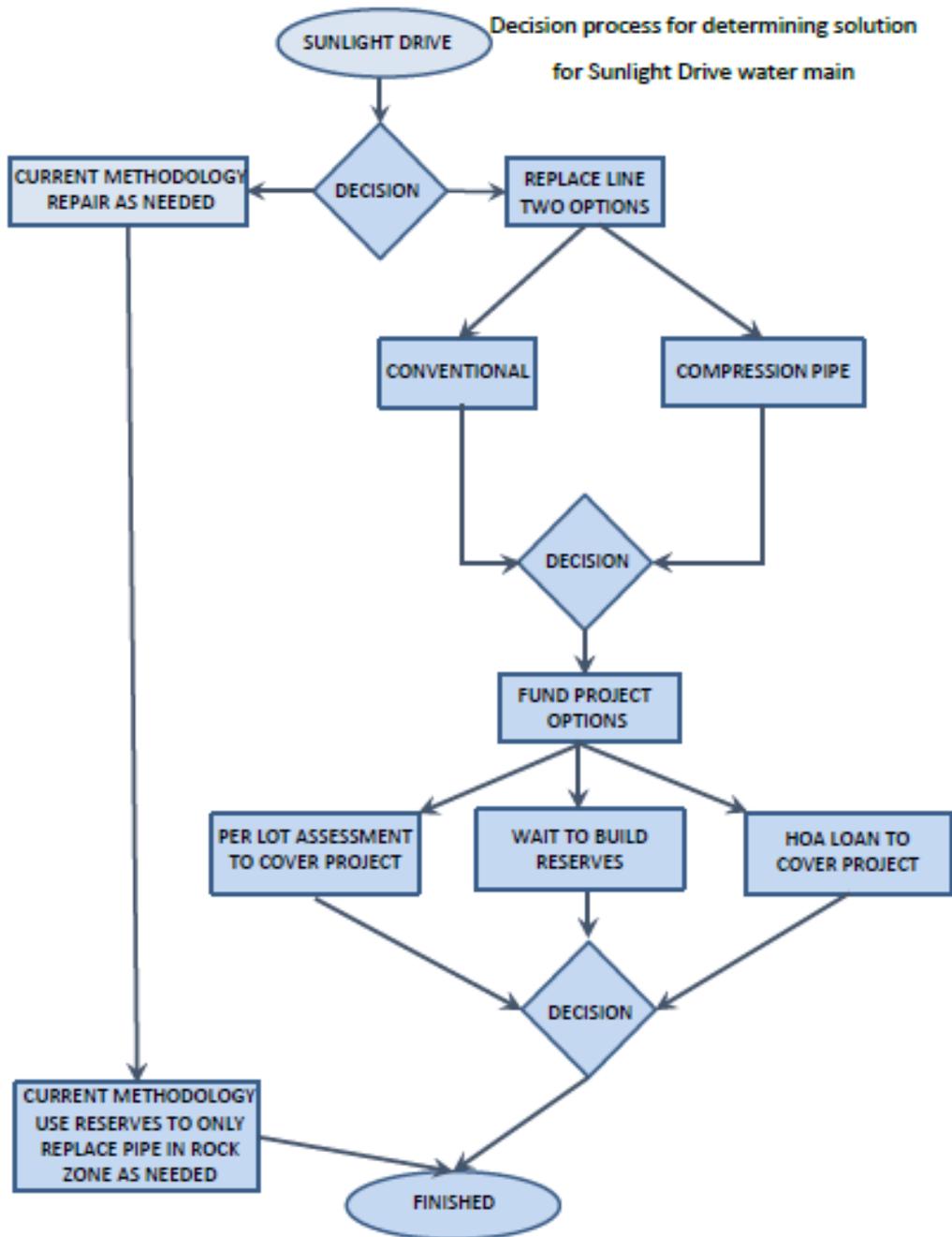
Keith Edquist, EMRE LLC, Association Manager

PANORAMA RANCHES OWNERS ASSOCIATION, INC.

Susan Burr, President

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Exhibit  
A



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## PANORAMA RANCH HOA SUNLIGHT DRIVE WATER MAIN DILEMMA

This past year a number of different technologies were explored and reviewed to address the ongoing pipe failures and resulting repairs on Sunlight Drive. What follows is a summation of that work and represents the most cost effective and durable proven options to consider.

- **Current Methodology (repair as needed)** ○ Repair

- Pros • Less up front cost
- Maybe no more breaks
- Current assessments may cover repairs and reserve growth
- Cons • Uncertainty
- Possible multiple breaks
- Possible high cost over long term
- Excessive repairs will deplete reserves

- **Replacement options** ○ **Compression Pipe**

- Pros • Reliable water main removing future uncertainty from that line
- Least expensive \$87k - \$91k\*\*
- 50-100 year life span of pipe w/ two year labor warranty
- Minimal upset to terrain i.e. least amount of asphalt repair or disturbed soil
- Minimal holes in asphalt (two) for reconnection of existing service lines
- Cons • Pipe and service connections remain under asphalt
- Installation is intrusive to select home owners and their property
- \*\*Unknown pipe conditions may increase costs substantially due to existing pipe deterioration requiring additional excavations to complete project. Each additional excavation will cost approximately \$6000.
- Reduces line to five inches, but flow test by CRFD will maintain adequate flow to fire hydrant at cul-de-sac.

- **Conventional** (new pipe bedded on north side of road)

- Pros • Reliable water main removing future uncertainty from that line
- Pipe and service connections moved from beneath asphalt to right-of-way
- New PVC C900 line w/ up to 100 year life span
- Minimal trenches in asphalt (two) for service lines and one at fire hydrant

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- Cons • Expensive \$145k\*\* - This is a base cost if no rocks are encountered. Rock clause in contract potentially could mean higher total project cost.
- Damage to terrain and foliage

## • Funding Options ○

### Assessment

- Pros • Project complete and paid for
- Cons • Some owners may not be able to pay
- High cost up front (\$2000 to \$3000 per lot owner)
- Current owners carry the full burden

## ○ Loan

- Pros • Low up front cost
- Current low interest rates
- Spreads burden over current and future owners
- Current reserve assessments are adequate to cover loan
- Allows continued reserve growth
- Cons • Long term financial burden on HOA
- Higher quarterly assessments for life of loan
- Higher assessments may compromise ability of current owner to sell their property.

## ○ Wait To Build Reserves

- Pros • No up-front cost
- Maybe no more breaks
- Current assessments may cover project
- Cons • Uncertainty
- Possible breaks during waiting period resulting in postponement of project
- Cost to do the project will increase each year

The *Current Methodology* approach would continue to replace sections of pipe along with suspect adjacent sections as needed until all pipe in the problem rocky area of Sunlight Drive has been replaced. With each break, a push camera would be utilized to inspect up to 150 feet of line both upstream and downstream from the break to assess the adjacent pipe. The per foot cost with this approach is likely the highest of the three alternatives outlined herein. Thus far, these expenses have been covered by our current assessments. A modification of our present methodology could be to replace pipe at the point of a break in

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the rocky area (where recent breaks have occurred) to include all pipe upstream and downstream between previously replaced and properly bedded sections of pipe. The goal will be to ultimately replace the entire original pipe in the rocky stretch of Sunlight Drive. The *Conventional* pipe replacement would involve excavating a new trench on the North side of Sunlight Drive in the right-of-way and laying a new C900 series 6" PVC line from the gate valve at the intersection of Sunlight and Elk Run 1400 feet west to the fire hydrant at the cul-de-sac. Asphalt cuts would be made at the existing curb stops and at the fire hydrant. The quote for this work includes a "rock clause" which is an unknown variable that could affect the final cost of the project.

The *Compression Pipe* methodology utilizes electro-fusion welded HDPE pipe to replace the existing PVC pipe. This process leaves most of the existing PVC in place and pulls a smaller diameter (5") HDPE line through the pipe resulting in one continuous pipe with no hub/gasket or solvent welded joints and fusion welded saddles at taps for laterals in lieu of mechanical attached saddles used on PVC lines. This material is flexible and more resilient to both compression and poor bedding issues. The installation is achieved by compressing the new pipe by pulling it through a series of rollers before it enters the open end of the old pipe. A cable pulls from the opposite end of the line (1400 ft. away) and drags the new line all the way through the old pipe in one continuous pull. Afterwards the saddle taps are fusion welded to the line where needed. A temporary water supply is planned to provide the four existing homes with non-potable water for toilets, showers, and wash during the process which is estimated to take 1 to 2 weeks to complete. The risk<>reward factor associated with the Compression Pipe process is the unknown factor of the installation requiring additional asphalt cuts. The cost estimate per each additional asphalt cut is approximately \$6,000. Given the \$60,000 difference in the cost of the compression pipe methodology, relative to a conventional methodology, the compression pipe approach has an economic risk window of up to ten (10) of the \$6,000 "bumps" before equaling the base price for conventional replacement.