



RIVER VALLEY RANCH

2011 RVRMA ANNUAL MEETING MINUTES

Wednesday, December 14, 2011, 6:30pm

The Ranch House Great Room

Executive Board of Directors

Jim Noyes, President
Peter Frey, Vice-President
Bill Grant, Treasurer
Ted Stude, Director-at-Large
Lani Kitching, Director-at-Large
Frank McSwain, Director-at-Large
Amy Harvey, Director-at-Large

RVR Staff

Ian Hause - Community Manager
Suzie Matthews - Controller
Erin Mattice - Hospitality and Member Services
Rich Myers - Irrigation Ops and Maintenance
Scott Mattice - Facilities Maintenance and Irrigation Ops
Pamela Britton - Special Projects
Courtney, Jessie, Miriam, and Trudi - Front Desk
Jamie, Magdiel, Juan Carlos - Maintenance Staff

Welcome and Introductions

Community Manager, Ian Hause welcomed everyone to the 2011 RVRMA Annual Meeting. Ian noted that Board President, Jim Noyes, is unable to attend. Vice President Peter Frey will do the honors. I will share some thoughts and my staff will provide comments as well.

State of the Union

RVR Executive Board Vice-President Peter Frey shared the following "State of the Union" report:

"Welcome, happy holidays and thank you for being here tonight. Jim Noyes, our Board President, must fly from Denver early tomorrow morning. He is driving to Denver this afternoon instead of tonight. He has asked me to comment on the current state of our homeowner's association.

My remarks incorporate Jim's draft plus some additions. The text will be posted on the RVR website for those neighbors who could not be present.

The Board's budgetary goal has been to fund the day-to-day operations and the essential capital projects while maintaining our Reserve Fund at \$500,000. In addition, we wanted to do this without raising monthly dues. We are pleased to announce that homeowner dues will remain at \$250/month as has been the case in 2010 and 2011. This would have been difficult without the cooperation and expertise of our staff.

The vote for ratification for the 2012 budget is 271 in favor and 1 against.

I believe RVR is fortunate to have a volunteer Board that brings a wealth of education and experience to the table. We understand that we're here to solve problems and to consider ideas for making RVR an even better place than it is today. Our goals are straight forward...



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First, we understand that it is our role to provide oversight and direction as needed. We avoid pushing personal agendas. We are comfortable with differing opinions and are happy to engage in civil debate. When we disagree, the majority prevails and we move on...you win some and you lose some.

Second, we have endeavored to acquire a first-rate staff that provides functional expertise and a commitment to teamwork. We believe our current staff is the best that RVR has ever had and may be the best in the entire valley.

Third, we have been concerned that many essential maintenance and capital projects have been neglected over the years and we have made an effort to address these needs without creating budgetary deficits.

Fourth, we have been acutely aware of irrigation water issues and have been negotiating with Crown Golf for several years. The problems have been resolved and summary information was e-blasted to the community and put on the RVR website yesterday. Hard copies of the announcement are available at the Ranch House tonight. You will receive detailed information on the agreement in January. Ian will make a few comments tonight and he and the Board will field your questions. Suffice it to say, we're pleased with the outcome.

"We couldn't have done it without you" understates the contributions made by Ian Hause and Kathryn Rooney in getting these very difficult, complex negotiations done. They deserve a major thank you.

As RVR residents, all of us should be concerned about the effectiveness of the Board. Ted Stude, Jim Noyes and I will end our 3 year terms this summer. The upcoming election is an opportunity to select volunteers who will continue to keep our community running smoothly.

Your Board is very pleased with our new Community Manager and the key members of his management team, Suzie Mathews, Erin and Scot Mattice, Pam Britton and Rich Myers. I'd like you all to join me in a round of applause for the entire team!

It's been a very good year...much has been accomplished! It's both remarkable and encouraging when we consider that Ian, Suzie, Erin and Scott have all been here less than a year. We are in good hands.

Before I turn over the mike to Ian, I would like to express my own thoughts on how fortunate we as homeowners have been to have Jim Noyes as our Board President. It is not often that a homeowner's association can have leadership by someone with the experience, intelligence and dedication that Jim provides. We have benefitted greatly from the many hours of service he has volunteered to our community. I hope that when you see Jim you will thank him for all that he has done."

Community Manager Report

RVR Community Manager Ian Hause presented the following Community Manager report:

"Welcome all, thank you for coming.

For those of you whom I have not had a chance to meet, I am Ian Hause, the RVRMA Community Manager. Thank you all for ratifying the budget. Turnout has been comparable to that of the last presidential election. We appreciate the mandate and will not disappoint.



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2011 has been a blast. I and my staff were all new when I arrived last April. Our success is due to a team of hard working professionals who understand what “continuous improvement” is and how it is achieved.

First of all I would like to introduce the “A” team:

1. Maintenance Team – Magdiel, Juan Carlos, Jaime
2. Hospitality Team – Courtney, Trudi, Miriam, Jessie
3. Pam Britton – Administration/Special Projects
4. Scott Mattice – Facilities Maintenance and Irrigation Ops
5. Rich Myers – Irrigation Ops & Maintenance
6. Erin Mattice – Hospitality & Member Services
7. Suzie Matthews - Controller

Ian turned time over to Hospitality and Member Services Manager, Erin Mattice who delivered the following remarks:

Wow, I feel good because I think I know everyone in the room! Thanks for coming tonight. Since I joined the staff we have worked to provide new events under the banner of continuous improvement. Everything we have done this fall we will carry forward with some great new program additions.

The Member Services team is working to improve communication with everyone. When you come to the Ranch House, we want to say hello, we want to hear your ideas. You are the eyes and ears here at RVR. We rely on you to give us feedback about how we are doing. Please keep it coming!

A big part of our communication is the e-mail blasts. We love hearing your ideas. Anytime there is something you feel would be great for everyone to know, we will do our best to get it into the email and promote it (as long as it is not commercial or political solicitation). We want to bring RVR into the Carbondale community as a whole.

The biggest thing Ian has brought to RVR is that he wants it to be a warm and inviting place. We want you to come in and have coffee and snacks (the hot chocolate is coming soon)! That’s what we are here for. When you come work out we want to say, “Hey, good job....now go have some chocolate.” When you have a second, stop and say hello.

We do strive to provide as many fun events as possible. Our community runs the gamut of retirees, young families, singles, and others. We are trying to reach all the segments of our community, bringing us together but also providing activities that might be specific to a certain demographic.

We are thinking about a lecture series. We have some amazing local artists at RVR including Owner Bob Boylan we have some more coming up soon.

Finally, we hope to keep all this momentum going forward. We have had a great start. We’ve had great participation. These events are successful because you take the time to come, meet your neighbors and have fun! Thanks!



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Ian turned time over to Controller, Suzie Matthews who delivered the following remarks:

For those who have not met me, I'm Suzie Matthews – your finance and fitness director. I have lived in RVR since June of 2010, first renting and then in October I purchased a home here. I love RVR and all it has to offer. I now have a vested interest in making sure RVR continues not only to “survive” in this economy but better yet – to THRIVE.

I received an Accounting degree from Lake Superior State College in Michigan where I grew up. I moved to the valley in 1995. After managing a horse ranch for Tom Bailey also known as Iron Rose Ranch for 15 years I decided to make a change. I ran into Jim Noyes backcountry skiing and was employed by all of you in February 2010. I cannot believe it's been almost a year! It's been quite a whirlwind with many, many changes. I really like what I see happening here.

I would like to thank Ian for taking me under his wing and giving me the opportunity to grow in this position. The management team is excellent and very focused. As a homeowner I am excited to be a part of RVR now – I really think that this community is a special place especially now with this team in place I believe it can only get better.

As your Fitness Director I would like to thank all of you who participate in our vibrant program. We are fortunate to have a group of instructors that are not only knowledgeable and talented instructors – they are also committed to RVR's community and health. I would love to receive your feedback, whether it's on a new class idea or any other suggestion. We do have a budget to work with so you will be seeing some small improvements over the next month. I am very excited to be in a community where personal HEALTH is so important. I love to see all of the healthy people whom live here.

As your Finance Director I want to let you know that RVR is also healthy financially. The Board and Ian have decided on a formal audit to occur in 2012. I agree that this is a VERY good idea. There have been many changes over the last couple of years – and there is never a better time to make sure we are on track. This Audit will not only be a financial Audit but it will also consider our Systems, Processes and Protocols. There has not been an Audit since the transfer of Declarant rights to the RVR Master Association in 2006.

Thanks again to all of you for your support and interest in RVR. I am excited to be here and to be part of this team.

Ian continued his Community Manager report:

Now, I would like to thank association president, Jim Noyes, and the entire Executive Board for their leadership and guidance from the day I arrived, thru the transition, today and tomorrow.

I would like to thank Kathryn Rooney for her assistance through the transition, the irrigation water deal with Crown Golf and the irrigation water program going forward.

Most importantly I would like to thank all association members and property owners for their support of the Board's vision and the management team's execution. Without your participation on a financial level and as importantly on a participative level, we could not have achieved the success we have had in 2011.



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Looking forward to 2012, we have many things to be grateful for and many things to be excited about.

As Jim mentioned in his written comments, beneficial resolution of the irrigation water situation with Crown Golf is a big deal. This settles an imperfect past, reasonably and fairly. It also lays the foundation for a cost-effective, sustainable, and manageable irrigation water delivery program for the future.

Personally, I can assure you that the settlement that has been negotiated is a good one. The settlement was vital. The alternative was litigation.

We have negotiated a deal and structured a program that will provide what is quite possibly the least expensive irrigation water in any comparable community in the Roaring Fork Valley, western Colorado, and perhaps the western United States. This is very, very good deal.

I have 25 years professional experience in planning, permitting, constructing and operating irrigation systems similar to the system at RVR. I served as District Administrator and Board Member for the Roaring Fork Water and Sanitation District which serves Aspen Glen to Iron Bridge. I have been Project Manager over four similar systems in four planned unit developments similar in size and scope to RVR. I have managed numerous irrigation ditches and pressurized irrigation systems in the Roaring Fork and Vail valleys for the past several years. I understand this system.

We will be delivering the printed, simplified communication in January. We will hold informational meetings thereafter. We will meet with individuals one-on-one as needed.

This deal has been so complicated...the simple/short version is still 8 pages long! Please look for the document in January. We look forward to your questions and comments.

In 2012, we will continue to elevate the member experience at the ranch house. We will produce monthly wine tastings, RVaRt, tennis, swim and fitness programming, seasonal festivities, kid's stuff, adult stuff, good stuff, fun stuff, smart stuff you name it....we will take this place to the next level in 2012. We will exceed your expectations.

We will continue energy management initiatives with the installation of pool and mechanical control systems. Energy saving initiatives have resulted in a 24% reduction in Ranch House energy costs from 2010 to 2011. In dollars and cents, this amounts to over \$20,000 dollars saved in one year. That is hard to beat. This team will only continue to improve.

We have exciting plans for Juice Bar and Reception upgrades. The hospitality standard has been elevated; we will rise to the occasion.

We will continue turf grass, landscape and tree health initiatives. As funding allows, remaining landscape projects may be executed.

The association will fulfill its obligations and we will partner with the Town of Carbondale in its RVR operations. We will continually enhance the member experience on time and under budget.



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Again, thank you for join us this evening. Happy holidays. Happy New Year.

Questions and Comments

Ian then opened the evening up for Questions and Comments.

Gay Zanni: I just want to thank the Board, the staff, Kathryn Rooney for the wonderful landscape work that was done this spring and summer. The pool area looks outstanding; the front entrance is gorgeous! Thank you!

Sue Edelstein: Regarding the irrigation water project: it is great that it has been settled. There were individuals other than those named who also put a lot of work into the resolution of this issue: Kim Kelly, Roy Davidson, Steve Falwell, Dick Heinz, Dick Hart, and Stan Kleban have been involved. I appreciate the Board hiring Ian.

I hope the Board will consider a change in next year's budget. I have concerns about the Reserve Fund. If we don't raise dues a modest amount, we may find that 4 - 6 years down the road we may need to have a special assessment. I would prefer to add modestly to the Reserve Fund as we go rather than wait just because interest rates are low at this time.

Also, if current owners don't pay into the Reserve as we go, and then sell their house, the new owners are saddled with a special assessment.

Stan Kleban: Erin, on a scale of 1 – 10, how was skiing today? Erin: "An early season '8"! Stan: I don't play golf, but in general have the feeling that the relationship between the HOA and RVR Golf has not been great and I wonder going forward what you see there.

Ian : That's a good point. One thing I think about this water deal that you can't put a number on is that it represents a new dawn in our relationship with Crown Golf. Basically, we are in partnership with them in the delivery of irrigation water to RVR. I believe our success is mutually interdependent. We have established a new framework for a positive relationship. The same is true about our relationship with the real estate and property management community. We work well with Brian. We can support one another and positively leverage our operations for the benefit of all. I am excited about that and looking forward to the future.

Roy Davidson: Thanks to all for being here. Thanks to Board for all the progress. I support what Sue said about the Capital Reserve. I'd just as soon build the Reserve each year and avoid surprises. The good news is that some big things are behind us: Bowles Gulch and the irrigation water. It behooves us to put something away so we aren't in a pickle later.

It is great that we have reached an agreement with Crown Golf. It is great to have a path forward in terms of sharing costs and running forward. How do we partner with them to make sure the system is maintained and runs effectively? It is my opinion that they were not a trustworthy partner in the past.

Norma Dolle: I swim in the lap pool all winter long. I don't understand why outsiders can use the lap pool. One guy takes over the whole pool and splashes a lot. Do they pay extra? How did that come about?

Ian: The only people who have access to everything we offer at the Ranch House are members and their guests. And for your guests, once your passes are gone, you or the guest are required to pay a guest fee. From Labor to



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Memorial Day, we have a Community Membership that allows users access to the fitness programming and the lap pool. That membership costs \$60/month for an individual and \$120 month for a family and is capped at 40 Memberships. The Community Member must sign up for the whole season. It became quite popular without any promotion. If there are issues, please bring those to us so we can take action. We will continue to look at all these programs.

Stan Kleban: Ever since we transferred from developer to HOA control, I have been concerned about the CC&R's which were written for the benefit of the developer. What is the schedule for updating the CC&R's?

Ian: After the first of the year, the plan is to pick this up. The bones of the changes are there. What needs to be amended is not the greatest challenge. It is more how to package these all up and communicate the amendments so members can understand and support the proposed changes. There are a number of things on the list to address and adjust.

Peter Frey: Several people have expressed concern about the Reserve Fund. The Board has looked at this issue quite extensively. First, \$500,000 that we have in the Reserve is earning about a third of a percent in interest. For associations, Colorado law requires extremely conservative investments which limit the ways we can invest that money. It is a concern is that the fund sits there without earning a return for the homeowners.

We have included in the budget many deal of the items that are part of the Reserve Study. We don't see many of the things that are part of that study that will be a big hit to the homeowners. Because we have been maintaining most systems regularly, many of the items addressed in the Reserve Study may not ever come due.

During this recession may not be the time to try to increase that fund. When the economy improves, it might be more opportune to increase the contributions to the fund.

Kathryn Rooney: , I wonder if Brian (Leasure) could speak to the Real Estate sales at RVR? **Brian:** in 2010 there were about 10 residential closings. This year, there were 19, 5 of them at one million dollars or higher. This year, Aspen Glen, closed about 7. This speaks to the idea that RVR has a good reputation in the real estate community and with prospective buyers.

Ian: Erin said you are the eyes and ears of RVR. I would add that you are also the hearts and minds of this special place. We appreciate you, look forward to hearing from you and continuing to work with you in our combined effort to ensure that RVR only gets better and realizes its full potential. Let's adjourn and enjoy some refreshments. Happy Holidays!

Adjourn and Refreshments