



RIVER VALLEY RANCH

2012 RVRMA ANNUAL MEETING MINUTES Wednesday, December 12, 2012, 6:00pm The Ranch House Great Room

Executive Board of Directors

Jim Noyes, President
Lani Kitching, Vice-President
Frank McSwain, Secretary
Bob Schoofs, Treasurer
Peter Frey, Director-at-Large
Bill Grant, Director-at-Large

RVR Staff

Ian Hause – Executive Director
Suzie Matthews - Controller
Erin Mattice –Member Services
Pamela Britton – DRC Admin
Rich Myers – Irrigation

RVR Golf, LLC

Dale Rands
Robin Rands
Dave Alvarez
Alden Richards

RVR Executive Board President, Jim Noyes, welcomed everyone to the 2012 RVRMA Annual Meeting. Jim introduced RVR Golf owner, Dale Rands and his wife Robin.

RVR Golf Update – Dale Rands

“I want to say that we are very pleased to be here; very pleased with the welcome we have received from the RVR Board and from Ian. Our goal when we can here was to create an atmosphere of partnership with the RVRMA and the golf course, and to create a club like atmosphere at the golf course for the people here and in the Town of Carbondale community.

We have made a significant investment in making improvements to the golf operation including refurbishing the clubhouse and purchasing new course maintenance equipment. Dave Alvarez and crew have done a lot to clean things up. We have been making good progress replacing bridges, have begun working on bunkers and greens and have started work on the ditches. The significant renovation of the restaurant will start next week including enlarging the bar and creating and indoor/outdoor patio. Our theme is going to be good food at affordable prices.

We think of ourselves as a partnership with RVR. I think Ian will attest to the fact that we have tried to be inclusive and we realize for us to be successful we need your support. We hope you will patronize us. We know you understand that the course is an amenity, even if you don’t play golf. We want to make as good for you as we can.

There are increases in the course fees, but there is also added value. In order for us to do what we need to do we couldn’t maintain the kind of fees the previous did. We have not doubled prices as the rumors might be indicating. A round of golf next year won’t exceed \$100. I’d be happy to take some questions at this time.

Golf Operation Questions and Answers

Question – First, thanks for being here. One of the challenges for the restaurant might need to reconcile the Town of Carbondale requirement for limited exterior lighting while making it safe to walk from the parking area to the restaurant.



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Answer - I am glad you raised the issue. We will address that. We have already done a good deal of work on the electrical systems.

Question - Do you have a target for finishing the restaurant remodel?

Answer - We think it will open the latter part of April maybe early May. If we have good participation, we will consider keeping the restaurant open throughout the winter.

Board President State-of-the-Union Report – Jim Noyes

'tis the season to be jolly.....

Welcome....thank you for coming....I'm Jim Noyes, your volunteer Board President. I've got a few thoughts to share with you, as does Ian Hause.

While "jolly" may be a bit of a stretch, I think we have an adequate supply of stuff to be grateful for.

For one, I'm grateful that election season is over! Regardless of whether you won, lost or tied...it's got to feel good that the pundits, fact-checkers, soothsayers, doomsdayers, birthers and bullshitters are gone. Once we get over the cliffs we can get back to the good stuff....like football (definitely Fear the Tree in the Rose Bowl)!

2012 is rapidly coming to a close at RVR. Our staff accomplished a ton in these 12 months... and they did so within both the approved operating and capital budgets.

As Martha Stewart would say....*that's a good thing!*

The 2013 budget, which includes a modest \$12/month increase following three straight years of holding the line, has been ratified via community balloting which ended a few minutes ago. We are committed to spending our money wisely. We've done that pretty well for a number of years and will continue to do so. Thanks to those many homeowners who showed their support by voting for the budget...and for the few who didn't we hope you take the time to have Ian explain why this budget is a sound one.

I'd like to introduce and thank our volunteer Board members who continue to make a big difference behind the scenes here. Jim Calaway cut through all the strategic planning and mission statement lingo and said "RVR ought to be a pretty and pleasant place to live". The Board's primary focus is to help our staff achieve that goal...and to do so with a sharp eye on fiscal prudence. We are proud of the quality we've achieved in our facilities and services, and we are committed to continuous improvement. That said, it's our money, too and we certainly aren't going to be frivolous or careless about how it's spent.

(Board Members in attendance introduced themselves.)

While we and other volunteers play a useful role here, it is...without question...our Staff that deserves the credit for the many improvements that have been made here over the past year. Believe it or not, three of our key players have actually just completed their first full calendar year here!

Suzie Mathews has the most longevity, joining us in Feb 2011. Suzie is the Queen of Multi-Tasking. As Director of Finance & Administration, Suzie watches over our money...coming in and going out....several million bucks to



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watch over. As a homeowner, she has some skin in the game! Suzie also oversees a popular Fitness program, Human Resources issues, computers and telephones. And she does it all with a big, friendly smile!! Suzie would like to take a minute to regale you with all the benefits of paying your dues via ACH....Thank you, Suzie!

(Suzie Matthews reminded everyone that if they are paying their dues using bill-pay with their financial institution, they need to change the mailing address from Dalby-Wendland to RVR and the amount to reflect the small increase in HOA dues.

Suzie also encouraged everyone to sign up for ACH if they are not already using that for paying HOA dues. Forms were available at the front desk. Suzie indicated that ACH is a very efficient way for us to process dues payments. For anyone already using ACH, the revised dues amount will be automatically changed. In addition, for those who pay by check, we won't be mailing out envelopes out this year. They will be provided upon request and can be picked up at the Front Desk.)

Erin Mattice joined us in April 2011. Her primary focus is "Summer Camp"...the 3-ring circus that goes on here every summer when our staff increases three-fold. She hires, she trains, she motivates....she deals with misbehaving children and their misbehaving parents. But, that's not all she does. She'll be back at Aspen Highlands most of the time this winter as a highly-regarded ski instructor. She does spend a day or more a week here in the winter and puts together all our wine tastings, the winter lecture series and other special events. She is also the Editor/Publisher of the weekly newsletter. Thank you, Erin ! See you full-time in the spring !

Ian Hause is the ringleader and it's pretty impressive that's he's accomplished as much as he has for us in such a short period of time. Ian joined us in April 2011 and has put together a team that has met or exceeded all the goals we have given them...and even quite a few we weren't smart enough to give them. Ian responds quickly, but mostly stays quite a few steps ahead of us...anticipating problems and opportunities and then initiating action. For those of you who've been around here for a spell, I know you truly appreciate the huge difference that Ian is making. If you're a newcomer, ask one of the early homesteaders here to hear just how far we've come.

In recognition of his outstanding performance, the Board has upgraded Ian's title to Executive Director...a well-deserved promotion. Thank, Ian....and, like the Doo Dah Man... keep on truckin' !

Those are just the newbies !

Rich Myers is our hybrid. As the owner of Lone Wolf, our irrigation system contractor, he's not technically "staff"....."family" would be more like it ! The irrigation system is RVR's heart-lung machine. Rich built it and has been taking good care of it for over 15 years. Thanks, Rich! We all appreciate the good work you do for us and the great community spirit with which you do it!

Pam Britton is our latest multi-tasker. She's the DRC Administrator, the minutes recorder at all Board meetings, the volunteer Chair of the Tennis Committee, and an all-around terrific administrative resource. She's a homeowner, a great team player and should be especially proud of the outstanding, best-ever tennis season we just had. And, yes, Christina Siriani is coming back! Thanks, Pam!

Then there's the Front Desk, the Juice Bar, the Housekeepers, the Lifeguards and the great Field Staff....all part of a well-orchestrated team doing it all for us! Thanks, everyone!



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First question...why did the dues go up \$12/month? Two answers...

\$6 is going to our Reserve Fund, which is less a rainy day fund than it is a sinking fund to pay for future capital improvements and replacements that we actually know about. We know, for instance, that someday we'll need a new roof on the Ranch House, the parking lot re-paved, the tennis courts rehabbed...basic, unglamorous stuff that will be required. By building up the Reserve Fund, we should be able to pay for these when the time comes without resorting to special assessments, debt or radical increases in dues.

Reserve Advisors is an outside firm that cataloged all, or at least most of, the physical assets that RVR owns. They estimate their useful lives based on accounting rules...and projects what we should have in Reserve any particular year. This is a very useful, but crude, tool that requires considerable fine-tuning. It says, for instance, that we should have close to a \$1.2 million dollars at the end of 2013. We, after considerable analysis, are comfortable with our estimate of about \$650,000-\$700,000. For those of you truly fascinated by all of this, you are welcome to see Ian after the first of the year, and he can provide you all the somewhat mind-numbing details.

The other \$6 bucks is going into the operating budget. Are we doing something new? Not really...but we always try to do everything better. We've held the operating budget steady for 3 years after reducing it sharply in 2010. This \$6 is about a 2% increase. Since inflation from 2010-12 ran 6.7%, we're still holding the reins pretty tight. But, we want good people, good work and good facilities....and it's time to pay for it.

Highlights of 2012?

- * Operating within budgets
- * A new, improved irrigation water contract
- * A much-needed working partnership with the new owners of RVR Golf
- * A great summer camp and outstanding tennis program
- * Measurable improvement in the real estate climate...7 new homes started vs. 1 in 2011....24 homes sold or under contract vs. 18 in 2011 and only 10 in 2010.
- * The addition of Bob Schoofs to the Board...not often you can get a former Chief Executive who's also a Certified Public Accountant to work for free...especially since he has a real job on the side !!! Way better than switching to Geico!!!

For RVR, I think 2012 was, despite the many political distractions and economic worries plaguing most of the world... a pretty good year.

Ian has some thoughts he wants to share with you after which we can take some questions.

Thank you.

Community Manager Report – Ian Hause

Welcome all, thank you for coming...

Thank you, Jim, for your comments. Thank you to the Executive Board for your guidance and hard work. Welcome to our new Board Member, Bob Schoofs.

I would like to thank our Staff, Vendors, Contractors and Service Providers.



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For those of you whom I have not had a chance to meet, I am Ian Hause, the River Valley Ranch Master Association Executive Director.

Thank you all for ratifying the budget. 191 yes, 67 nos, 7 abstains. Turnout has been comparable to that of the recent presidential election. We appreciate the mandate and will not disappoint.

2012 has been a good year at River Valley Ranch. As Jim noted, sales are up, new home construction is up and the Association is in good financial health. We continue to be a vital part of the Carbondale and Roaring Fork Valley communities.

Member satisfaction is at the highest level since I have been here. There is no data to back that up. I go on gut. Members are not here with pitchforks and flaming arrows but rather with kind thoughts, good ideas and a sincere belief in this wonderful community.

In my humble opinion, this community is evolving as it was envisioned...beautiful, vibrant, attractive, locally flavored, engaging and important.

Our success is due to a functional, forward thinking Executive Board, led by RVRMA President Jim Noyes,...a team of hard working professionals who understand what "continuous improvement" is and how it is achieved, and a Staff who flat out gets it, cares, and every single time... takes the extra step to ensure the highest level of service and maintenance we can provide.

This Staff is not afraid to raise the bar, nail it... and raise it again. I cannot thank them enough.

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 commitment on a financial level and as importantly, on a participative level, we could not have achieved the success we have had in 2012 and may continue to enjoy going forward.

Looking forward to 2013, we have many things to be grateful for and once again, many things to be excited about.

We have just completed our first full year as a functional irrigation water delivery organization.

With your affirmation, we have settled an imperfect past, reasonably and fairly, and are now performing effectively with a new irrigation partner, the River Valley Ranch Golf Club...Dale Rands, Dave Alvarez and Alden Richards, who are here to share their current plans for the New Year tonight.

I would like to personally thank Dale and his Partners, for their investment in RVR and their hands-on hard work and commitment to this beautiful place.

In 2011 we structured a program that was planned to provide a fair, reliable, cost effective and mutually beneficial raw-water irrigation supply for all of River Valley Ranch. This has been accomplished in 2012.



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We could not have accomplished this without an effective Partnership with the new Golf Owner, Management Team, and the River Valley Ranch Golf Club Boots on the Ground...Thank you, Dave, Alden, Chad, Cole and Lew Ron!

In 2013, we will continue to elevate the member experience at the Ranch House. Last Year's Winter Lecture Series was so successful, we are introducing the 2013 River Valley Ranch Winter Lecture Series...look for world class presentations by our local best of the best.

We will continue to produce monthly attractions, 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, once again, in 2013.

We will once again exceed your expectations.

We will continue successful energy and efficiency initiatives.

During 2012 we have completed installation of pool and mechanical control systems.

The mechanical control system has resulted in an additional energy savings reduction of 20% in Ranch House energy costs from 2011 to 2012. In dollars and cents, this amounts to over \$20,000 dollars saved in one year. This is the second year in a row that plus 20% savings in utility costs were realized. That is hard to beat. This team will only continue to improve.

We have exciting plans for 2013 for the Ranch House including Fitness, Swim and Tennis upgrades.

We will continue turf grass, landscape and tree health programs.

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.

As our mission is founded on the protection and enhancement of your property values, we are confirmed our actions are towards that end.

We have completed beautification of stalled development projects at the Enclave, The Boundary and The 24 and have positioned this community for robust sales and home building activity.

Additional sales and development plans are pending on multi-family parcels

No doubt this is a partnership and all interests should be realized... property owners, board and committee members, staff, the golf owner, vendors, suppliers, and the very important support of the real estate professionals, are all integral to our collective success.

I call on us all to support, believe, collaborate and execute the dream of River Valley Ranch as it was envisioned, as it is known and what it may be.

In real estate, as in life, there is a magic and logic equation, at River Valley Ranch, we have both, and that is because of you the Owner, the Member, the Believer and the Supporter.



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Personally, I cannot thank you enough.

Again, thank you for joining us this evening. Thanks to the Golf Team for joining us tonight. Happy Holidays, Happy New Year.

Additional Questions and Answers

Question – Has there been any interest in someone taking over the Boundary?

Answer – There has been some interest and activity, but nothing that has gone under contract.

Question – Has there been any interest in someone taking over Block JJ?

Answer – It was under contract, but recently fell out. However there is some conversation still occurring.

Question – Has there been any interest in someone taking over Bowles Gulch?

Answer – Those were acquired last year; there are not active construction plans at this time.

Question – I think there were some conversations going on at one time about the ¼% real estate transfer fee and how that money is allocated. Where does that stand?

Answer – Historically that fee has gone to Aspen Valley Land Trust (AVLT). Some ideas were brought to the Town regarding some project that might have more visibility to both RVR and TOC. Those conversations did not progress. That said, one of the very fortunate things we have with Ian is that he grew up in this valley and he knows everyone. He can raise in casual conversation with groups like AVLT other possibilities for using those funds for things like remediation for the Crystal River. That is where those conversations stand at this time.

Question – I noticed that the budget went down a bit for the presentation of flowers at the formal RVR entrance. It looked so good this year, I wonder what the plans are for next year.

Answer – The reduction in that budget item does not reflect any intent to do less than we did this past year to landscape that entry area.

Question – Could you address the situation with the retention pond.

Answer - There was an original design flaw with our retention pond. It didn't account for the amount of sediment and turbidity that pond would deal with. The excessive amount of sediment that runs through our system damages the pumps and other mechanical components.

We have now removed the 15 year accumulation of sediment from the pond. Next spring we will create a small catch basin as a sediment control mechanism to reduce the amount of sediment reaching the retention basin. That will create a system that going forward can be easily cleaned by our staff annually.

Adjourn and Refreshments

Jim thanked everyone for attending and the meeting was adjourned.