



RIVER VALLEY RANCH

RVRMA EXECUTIVE BOARD MONTHLY MEETING

Wednesday, July 22, 2020, 5:30 p.m.

Meeting held via Zoom

Executive Board of Directors

Cathy Cooney, Co-President
Gary Lesser, Co-President
Todd Richmond, Treasurer
Ben Johnston, Secretary
Laura Hanssen, Director
Gary Harada, Director
RJ Spurrier, Director

Management Attendees

Sterling Page, General Manager
Kendra Ford, Community Services Manager
James Maguire, Accountant

Homeowner Attendees

Susan Christman
Leslie Kerry
Sandy Marlin
Drew DePaul
Jocelyn Durrance
Kathy Schoenecker

I. Call to Order, Establish Quorum

II. Approval of the Consent Agenda and Meeting Minutes

MOTION: Co-President, Gary Lesser and Director, Gary Harada moved and seconded to approve the agenda and the adoption of the Board Meeting minutes of June 24, 2020. The Motion passed unanimously.

III. Board Governance

- **Election results, seat new Directors**

Four candidates ran for three available Board seats. The two incumbents Todd Richmond (88 votes) and Ben Johnston (83) were re-elected to the Board for another three-year term. New candidates Laura Hanssen received 78 votes and John Lund received 40. A total of about 90 owners participated in the vote, which was done online. The Board welcomes Laura Hanssen as a new Board member and looks forward to working with John Lund in other capacities to serve the community.

- **Amending and adopting By-laws**

Resolution to Amend Article 8 of the RVRMA By-laws, to create a Co-Presidency office that allows Co-Presidents, and no Vice President of the Board.



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At an upcoming meeting, the Board will review all the offices and their duties and make sure the By-laws reflect what is being done by the people who hold those offices.

MOTION: Secretary, Ben Johnston and Director, Gary Harada moved and seconded to approve to amend the By-laws to add Co-Presidents who will share the duties. There will no longer be a Vice-President, and we will continue to have a Treasurer and Secretary. The Motion passed unanimously.

- **Election of New Officers from July 22, 2020 until July 22, 2021.**

Ben Johnston and Todd Richmond have both agreed to sit for another term with their positions as Secretary and Treasurer. Cathy Cooney and Gary Lesser have agreed to be Co-Presidents.

MOTION: Secretary Ben Johnston and Director Laura Hanssen, moved and seconded to approve Todd Richmond as Treasurer of the RVRMA Board of Directors. The Motion passed unanimously.

MOTION: Co-President Gary Lesser and Director Gary Harada, moved and seconded to approve Ben Johnston as Secretary of the RVRMA Board of Directors. The Motion passed unanimously.

MOTION: Secretary Ben Johnston and Director Gary Harada, moved and seconded to approve Cathy Cooney and Gary Lesser as Co-Presidents of the RVRMA Board of Directors. The Motion passed unanimously.

Cathy Cooney thanked Yvonne Perry for her six years of service and two years as Board President, for always going above and beyond the call of duty and for her tremendous accomplishments.

IV. Public Comment

Susan Christman voiced concerns about the pesticides used in RVR. She did recognize that 2 out of the 3 pesticides used are less toxic <than what?> however the one that is toxic is of concern. She noted she spoke to the Board about this last October and requested more public notification in advance and asked that RVR consider following the recently adopted Town of Carbondale weed control measures.

Sterling Page said RVR listened to the Community's request last fall to find less toxic products and methods and have found the least toxic available. We had high hopes for organic products, but they turned out not to be as effective on certain weeds.



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Sandy Marlin mentioned there seemed to be some mix up in certain neighborhoods with the spraying, regarding the flags that were supposed to go up to notify homeowners of sprayed areas.

Cathy Cooney requested the Landscape Committee assist in the notification process for next year.

Leslie Keery expressed discontent with irrigation issues in Old Town, all the tennis courts not being ready in May, and the gym not being opened.

Cathy Cooney said RVR is trying to open the amenities as best we can. Most gyms in the valley that have opened are much larger facilities than the RVR gym. We have not found a way yet to make it both safe to staff as well as to people who would be using the gym. This is an ongoing conversation as RVR management would like nothing more than to open it up in a way that makes sense for everyone.

Leslie stated many people in Old Town are upset with the fact that they cannot get into the gym.

V. Management Reports (attached)

- Ranch House Report, Kendra Ford
- Operational Report, Sterling Page
- Finance Report, James Maguire

VI. Committee Reports

- Governing Documents Committee

A sub-committee of the Governing Documents Committee has met four times since mid-May. The sub-committee is now finalizing a draft of the report that summarizes the Committee's work over the past eight months, including recommendations to the Board. When the sub-committee's work is complete, the full Governing Documents Committee will review the draft report, provide input, and finalize it. The report will then be presented to the Board at an upcoming monthly meeting. Once the Board accepts the report, the Committee will suspend its work.



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VII. Old Business

- Landscaping of empty lots

The Board received information on the history of requests to improve empty lots. Kendra Ford, as DRC Administrator, addressed the issue and made a recommendation to the Board that they leave it up to the individual owners to go through the variance process, as allowed by our governing documents, if they choose.

The Board agreed that improvements to vacant lots are not allowed by the covenants, but a variance process is provided for and therefore this would be the avenue for owners to make this request.

VIII. New Business

- Sign Policy

The RVRMA Covenants state that no signs (other than “for sale” or “for rent”) can be displayed in yards except for political signs. The political signs may go up 45 days before an election and remain on the property for 7 days after an election. The CCIOA definition of a “political sign” is one that supports a candidate or a ballot issue.

The Board agreed they are willing to review a variance allowed under Article 3 of the RVRMA Covenants to the political sign policy to allow people to display political signs or potential signs that deal with issues that are broader than ballot issues between now and the November election. This variance can be rescinded at the Board’s discretion if it creates dissatisfaction within RVR.

A political sign variance will be drafted, and the Board will do a Unanimous Written Consent on this issue within the week.

- TOC Noche Park (moved off agenda to next meeting)

IX. Adjourn

Ranch House Report- July 2020

General

It is evident by the activity level at the Ranch House that our community is all here for the summer. Everything is booked for the available hours from tennis courts, clinics, private lessons, kids camps, recreation pool times and the lap pool. We are thankful our residents have been so adaptable to all the adjustments that have taken place this summer, with required online reservations, bringing their own towels and food and beverages. We are grateful for the overall attitude residents have expressed of tremendous appreciation for all that is open and available to them. The summer staff has been fabulous about their diligence with the hourly cleaning and disinfecting of high touch areas and the deep cleans that take place during the hour break in between pool reservation blocks and doing all they can to keep our community safe. The RVR Front Desk Team has graciously taken on quite a few new tasks this summer as well as being at the front line for answering so many new questions as we navigate this very different set of rules and circumstances this summer. They have also really enjoyed the central outside location and being a part of the community in this way.

A new guest policy was implemented after the June Board meeting which allows owners to bring two guests during the first pool reservation block and no guest on weekends. The front desk staff has reported that overall, this has been well received and respected. The front desk was also tasked with sending follow up emails to owners who made reservations but did not show up and never cancelled, which would have opened spots for their neighbors on the waitlist. They have been tracking the no show owners for a few weeks and sending the follow up emails. It does seem some owners are starting to be more mindful about cancellations and the waitlist spots are easing up some. We are going to continue this practice of follow up with the hope we can really get owners to start to understand the need for honoring this new system everyone has to do their best to function with this summer.

Member Services

There are a significant number of new owners buying in RVR this summer. This week alone had 14 new sales when a typical "busy" week may be 3 or 4. We are going to be working on a comprehensive new owners package and electronic presentation to provide a thorough orientation to life in RVR to so many new members in our community. Sterling and I used to have new owner Happy Hours and with our no gathering policy we have not had those since early winter. As much as the virtual platform does not feel like the best way to get to know people for the first time with this many new owners in our community, we are going to explore some possibilities for personally connecting with them.

Fitness

As of July 27, we are going to have the lap pool open at 7am to add an extra hour of available bookings.

The regularly attended fitness classes are continuing to be provided to owners via the Zoom platform.

The ever popular water aerobics will start on Tuesday July 21 and be offered from 9-10am every Tuesday and Thursday in the large recreation pool. This will allow everyone to spread out and have the space they need to feel comfortable for a group exercise class and will keep the lap pool open and available during that time.

We are also starting to offer swim lessons for kids which are in extremely high demand and they will be available Monday, Wednesday and Friday from 9-10am.

Events

The Annual RVR Garage Sale will be happening on Saturday July 18 and fully organized by our Event Coordinator, Jules King. There are 30 homes signed up and in past years have been about 20. I think all this time at home is having a continuous spring-cleaning effect! The Calaway Give Back program will be collecting left over items at the end of the sale and they will be donated to the Lift Up Stores in Rifle and Parachute which are in tremendous need of inventory.

Human Resources

We have two new faces at our front desk, and we are thrilled they have stepped in to help us during this extremely busy season. Hayden Austin and Rachel Kelmanson have quickly become valuable members of our RVR Team.

DRC Updates

Since our last Board meeting, we will have had eight final home inspections, 4 preconstruction meeting and three predesigns. There continues to be a steady number of small improvement request coming in weekly and we are generally two weeks out on review and response time.

The DRC submittals for the month of July related to new construction are:

Lot: EE-8

Review Type: Second Preliminary/Final

Lot: Boundary #3

Review Type: Final

Lot: EE-1

Review Type: 1st Preliminary

Lot: EE-15

Review Type: 1st Preliminary

Lot: EE-7

Review Type: 1st Preliminary

Lot: Z-05

Review Type: Final



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Monthly Report to the Board of Directors

July 22, 2020

Governance

- I was asked by the Board of Directors to notify an owner of an ongoing parking violation. In fairness to all I sent an 'Invitation to Comply' notice to 28 owners to bring their property into compliance with RVR covenants. This was met with a broad spectrum of response from appreciation for letting them know and quick resolution to outright hate emails for violating constitutional rights. 15 have come into compliance while 7 more will get 'Invitations'.

Facilities

- We suffered a brown out on the evening of July 12th. This caused the loss of cottonwood trees at the Ranch House and Orchard Park. The most damage was done to the Ranch House mechanical system. We lost the pumps for the wader and lap pool as well as both pumps for the spa jets. Also affected was the circulator pump for boiler number one. We installed our back-up pump for the lap pool and have ordered new pumps for the others. We have ordered safety shut off VFD controls for each of these pumps to protect them from future problems as these were not a part of the original design of the system. We are also requesting quotes for a surge protector for the main grid to protect and clean the power for the entire electrical system.

Grounds

- The crew installed the playground slide at Triangle Park. Except for the sod, which is in short supply this year, the project is complete. We have scraped parking area to remove years of accumulated silt and overgrown turf. We have asked the TOC for permission to install a dry well at the north end of the parking lot to deal with the drainage of the parking area. The parking lot has been power washed in preparation for an asphalt seal coat to preserve the asphalt structure.

Irrigation

- As a result of the worldwide supply chain disruption we discovered that PVC is in short supply. We have purchased the limited sprinkler inventory from both of our suppliers in the valley. We will collect all used sprinklers as they are removed for rebuild this winter if necessary and possible. Water consumption in June was 59.71% Golf and 40.29% Residential usage which is great considering the lack of rain and the warm and windy days.

Operations

- Old Town –No report.
- The Settlement–No report.
- The 24, Boundary and Crystal Bluffs have no report.

Financial Report

June 2020

Prepared by James Maguire

Financial Update

June marks the end of the 2nd quarter and half-way mark of the year. To date, we have taken in \$1.2 million in income out of a \$2.4 million annual budget. We are running about \$37K below budget, mostly due to the hiatus in tennis and memberships income during the shutdown. Tennis has been strong since the reopening, making \$10K more than budget for June.

On the expense side, COGS are under budget to date by \$34K, making our gross profit within less than 1% of budgeted gross profit. \$1.165M actual to \$1.168M budget

General expenses are running \$104K under budget to date. The bulk of these savings come from payroll expenses (\$55K), grounds maintenance (\$34K), Utilities (\$11K), and hospitality supplies (\$7K). We have not paid our taxes or received an invoice from the auditor yet, so we are under budget by \$13K in finance expenses.

I have been including charts in the financial reports to help summarize and visualize the overall financial picture of the HOA. I would recommend taking a look at those if you haven't already.

Bank Fraud

In the beginning of July, I found 7 fraudulent transactions hit our bank account. They were all payments to unknown credit cards with unknown names attached to them. They totaled almost \$14,000. We have since closed our bank account and reopened another one. The bank has refunded all but \$3,600 so far. The payments to Capital One are being disputed and Capital One requires less than 24 hours' notice of fraud, apparently.

Once the account was frozen, we could still see charges attempted to be made on the account – payments to Nordstrom, Sears, PayPal, and other credit cards for 10's of thousands of dollars. They also printed counterfeit checks and tried to deposit them in Georgia.

We don't know the source of the fraud, but the most likely scenario is that someone got a hold of our routing and account number (which we send to anyone who gets a check from us) and gave it to a network of thieves or the dark web.

Going forward, we will be implementing an enhanced security solution from Vectra Bank that verifies checks and ACH's. They will block any ACH's that were not pre-approved and we will have a program that links our accounting program with the bank so they can verify outgoing checks.

PPP Loan

On April 17, we received \$155,800 in SBA Payroll Protection Loan proceeds with the expectation that it would be forgiven after spending it on 8 weeks of payroll costs. New federal legislation recently pushed this to 24 weeks (October) along with some other changes, so there should be

no issues with getting 100% of the loan forgiven. When it does, we will convert the balance from a loan to income. This should be more than enough to cover any economic losses due to the shutdown this year.

Reserve Funds

We spent approximately \$9,000 of reserve funds in June. All but \$83 was for the ongoing playground project at Triangle Park.

Dues (A/R)

There are a couple homeowners who missed payment in June. Most have paid in July and others I am in communication with. They will pay.

Audit / Taxes

The audit is complete. We are still waiting on the results which will include 3 reports: an audit report, management letter (internal controls) and board governance letter (discusses broad issues regarding audit process). Our auditor will also be completing our 2019 tax return. We hope to see everything finalized by the end of June.

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.
Resolution No. __, Series of 2020

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIVER VALLEY RANCH MASTER ASSOCIATION, INC. TO AMEND ARTICLE 8 OF THE ASSOCIATION'S BYLAWS TO CREATE CO-PRESIDENT OFFICES

RECITALS

- A. The River Valley Ranch Master Association, Inc. (the "Association") is governed by the Board of Directors (the "Board"). The Amended and Restated Bylaws of the Association (the "Bylaws") govern the affairs of the Association and Board. Pursuant to Section 11.1 thereof, the Bylaws may be amended by a majority of a quorum of the Board.
- B. Over time, the President officer position has required increased time and work demands, which place a significant burden on the President. Accordingly, the Board wishes for two persons to share this burden and workload by creating "Co-President" officer positions and eliminating the Vice-President officer position. Co-President officer positions will allow the Board and its officers to more effectively serve the River Valley Ranch community and owners.
- C. The Board wishes to amend Article 8 of the Bylaws to create the "Co-President" officer positions as set forth herein, and believes that doing so is in the best interests of the Association and the River Valley Ranch community.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RIVER VALLEY RANCH MASTER ASSOCIATION, INC, THAT:

- 1. Recitals. The foregoing recitals are incorporated herein as findings of the Board of Directors.
- 2. Bylaws - Article 8 – Officers and their Duties. Article 8 of the Bylaws is hereby amended as follows, with **bold, underlined text** added and ~~strikethrough text~~ deleted:

ARTICLE 8. OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Master Association shall be a **two co-presidents**, a ~~vice-president~~, a secretary, and a treasurer, who shall at all times be members of the Executive Board, and such other officers as the Board may from time to time create by resolution.

Section 8.6 Duties. The duties of the officers are as follows:

(a) Co-Presidents. The co-presidents shall have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation and shall be shared between the co-presidents. Specifically, the co-presidents shall have the power to preside at all meetings of the Executive Board and of the Members; appoint committees; see that orders and resolutions of the Board are carried out; sign contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the day-to-day affairs of the Master Association.

~~(b) Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.~~

(e) Secretary. The secretary shall record the votes and maintain the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Master Association together with their addresses; cause Master Association records to be kept and maintained; and perform such other duties incident to the office of secretary or as required by the Board.

(d) Treasurer. The treasurer shall be responsible for the receipt, deposit and disbursement of Master Association funds and securities and for maintenance of full and accurate financial records; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer shall perform all duties incident to the office of treasurer and such other duties as may be assigned by the Executive Board.

THIS RESOLUTION was read, passed, and adopted by the Board of Directors of the River Valley Ranch Master Association, Inc. at a regular meeting held this 22nd day of July 2020.

RIVER VALLEY RANCH MASTER
ASSOCIATION, INC.

By 
President

ATTEST:


Secretary