

**Silver Spurs Ranch**  
Property Owners Association  
P. O. Box 293  
Walsenburg, CO 81089  
**“A Covenant Restricted Community”**

**14<sup>th</sup> Annual Meeting Minutes, July 16, 2011**

The 14<sup>th</sup> annual meeting of the Silver Spurs Ranch Property Owners Association was called to order by president Larry Waltz at 1:00 PM on Saturday, July 16, 2011 at the United Church of Walsenburg.

Board members and officers in attendance were Vice President Jim Morine, Secretary Bud Palmer, Treasurer Gary Geiselbrecht, and board member Vern Evenden.

The first item on the agenda was the reading of the minutes from the 13<sup>th</sup> annual meeting held on July 17, 2010. A motion was made to accept the minutes as presented, it was seconded and passed by voice vote.

The next item on the agenda was the Treasurer’s Report, by Gary Geiselbrecht. The financial statement for the fiscal year 2010 was presented as follows:

**SILVER SPURS RANCH**

PROFIT/LOSS and RECONCILIATION STATEMENT  
(Jan 1 – Dec 31) 2010

INCOME	DUES	\$48,906.18
	GRAZING LEASE	5,000.00
	INTEREST INCOME	4,039.72
	SAN ISABEL REFUND	3,311.61
	TOTAL	\$61,257.51
EXPENSE	ROAD MAINTENANCE	\$23,990.19
	ROWELL & SUNRISE UPGRADE	23,000.00
	SNOW REMOVAL	1,369.69
	INSURANCE	2,791.00
	OFFICE SUPPLIES	789.20
	INCOME TAX PREP	320.00
	POSTAGE	200.68
	LIEN FILING FEES	11.00
	WEED SPRAYING	408.32
	PICNIC GIFTS	258.79
	ANNUAL PICNIC	518.78
	MISC EXPENSE	52.35
	LEGAL EXPENSE	227.50

EXPENSE (CONT)	PERIODIC REPORT	23.95
	P. O. BOX RENTAL	44.00
	WEB PAGE	1,270.40
	TOTAL	\$55,275.85
NET PROFIT		\$5,981.66

RECONCILIATION

RETAINED EARNINGS (Jan 1-2010)	\$173,484.09
NET INCOME	5,981.66
TOTAL	\$179,465.75
CD BALANCE (Dec 31, 2010)	\$150,000.00
CD BALANCE (Dec 31, 2010)	25,109.47
CHECKING BALANCE (Dec 31, 2010)	4,356.28
TOTAL	\$179,465.75

**SILVER SPURS RANCH**

PROFIT/LOSS and RECONCILIATION STATEMENT  
(Jan 1 – Jun30) 2011

INCOME	DUES	\$48,452.50
	GRAZING LEASE	2,500.00
	INTEREST INCOME	2,661.67
	SAN ISABEL REFUND	449.70
	TOTAL	\$54,063.87
EXPENSE	ROAD MAINTENANCE	\$ 29.01
	SNOW REMOVAL	1,692.80
	INSURANCE	
	OFFICE SUPPLIES	137.09
	INCOME TAX PREP	320.00
	POSTAGE	91.25
	LIEN FILING FEES	114.67
	WEED SPRAYING	28.97
	PICNIC GIFTS	
	ANNUAL PICNIC	
	MISC EXPENSE	54.26
	LEGAL EXPENSE	92.00
	PERIODIC REPORT	
	P. O. BOX RENTAL	
	WEB PAGE	120.40
	TOTAL	\$ 2,680.45
NET PROFIT		\$51,383.42

## RECONCILIATION

RETAINED EARNINGS (Jan 1-2010)	\$179,465.75
NET INCOME	51,383.42
TOTAL	\$230,849.17
CD BALANCE (Dec 31, 2010)	\$152,625.44
CD BALANCE (Dec 31, 2010)	25,145.70
CHECKING BALANCE (Dec 31, 2010)	53,078.03
TOTAL	\$230,849.17

Gary pointed out that due to the drought, the roads have been too dry to properly perform road maintenance. The POA has just begun to schedule road maintenance projects.

A question was asked concerning the San Isabel refunds and why they are decreasing. Gary explained that the contracts are expiring and the refunds are drying up. There are 6 contracts whereby San Isabel may share some of the profits from the extension of power to the ranch. The contracts are for 8 years and are coming to an end.

A question was asked about the funds in the POA's accounts. Gary indicated that there is a large amount in the bank due to no road work being done this year. The budgeted amount will be spent over the next six months. Also, it is a policy of the POA to retain at least 2 years' income in reserve for emergencies.

The next item is the budget for fiscal year 2012 as follows:

### SILVER SPURS RANCH PROPOSED BUDGET FISCAL YEAR 2012

INCOME	P.O.A. DUES	\$48,380
	GRAZING LEASE	5,000
	INTEREST INCOME	1,000
	 GROSS INCOME	 \$54,380
EXPENSE	ROAD MAINTENANCE	\$45,000
	SNOW REMOVAL	2,500
	INSURANCE	3,000
	LEGAL EXPENSE	500
	OFFICE SUPPLIES	300
	WEED CONTROL	500
	POSTAGE	300
	LIEN FILINGS	100
	WEB PAGE	150
	MISC EXPENSE	200
	P. O. BOX RENTAL	44
	INCOME TAX PREP	320

TOTAL EXPENSE

\$52,914

NET INCOME

\$1,466

Gary indicated that the interest income will go down due to reduction in interest rates. P. C. Roberts made a motion to accept the proposed budget for 2012, it was seconded and passed by voice vote.

The next item on the agenda was the road maintenance report. It was presented by Vice President Jim Morine as follows:

September, 2010 – culvert on Cantel and road base on wash-out on Rowell/Sunrise. Also put road base on Silver Spur Road at Lyon’s hill.

November, 2010 – graded the approaches to the low water crossings and graded Rowell from the low water crossing to Sunrise. Graded Cantel, graded Silver Spur Road from the south entrance to Valley Vista and put new road base down. New signs installed indicating that fires and fireworks are prohibited.

December, 2010 - Graded Sunrise and placed 5 loads of road base on the hill where culvert work had been done previously.

February, 2011 – Snow Removal on the 6<sup>th</sup> through the 9<sup>th</sup>. Grading was performed on Silver Spurs as moisture was present through June of 2011.

Jim pointed out that work that still must be completed includes repairs to soft sections of Legend Lane.

A question was asked concerning a policy for cleaning out culverts. The board indicated that there is no specific policy, but is performed as needed and where it is possible to successfully clear them. Vern Evenden pointed out that he has just completed an inspection of all of the culverts on the ranch and will be presenting his findings to the board for discussion of culvert work in the future. A further question came asking if any decision was made to the possibility of grading the roads on a quarterly basis. Gary indicated that to grade the roads without ample moisture, would be fruitless as it would just move some gravel onto the road just to be knocked off with traffic as the road is too hard to allow proper packing of the base material. Several comments were made asking for advance notice of what road work is scheduled to be performed and for a more complete grading of the roads on a more regular basis.

Jim White addressed the membership indicating that he feels that the road work is not done in a systematic way to improve the condition of the roads. Grading is not done aggressively enough to remove washboarding and road base is frequently placed on roads where regular grading could keep the road condition up to par. Jim suggested that a road committee be formed to take care of the roads. Gary indicated that there are 25 miles of roads in the ranch and we have a budget of \$45,000 annually to maintain them. Jim felt that only about 5 miles of roads have any regular maintenance. Gary pointed out that the roads that receive the most use, get the most maintenance. That is one of our policies. Jim White then made a motion that a road committee be formed

with at least 3 members to take on the responsibility of road maintenance. Another member suggested that the board be comprised of 4 members and one POA board member for a total of 5. The motion also included a caveat that the road committee be established for a trial period of 12 months and could be continued if the membership so decides. The committee must work within the budget approved by the membership for road maintenance and only projects approved by the full POA board of directors and in compliance with our road maintenance priority policy will be performed. Approved projects will be supervised by the road committee to completion. The motion was put to a vote and passed by majority of the membership. P. C. Roberts suggested that we accept volunteers for the committee positions so that the process could get started as soon as possible. Volunteers are as follows: Board member, Vern Evenden, Jim White, Jim Dexter, Jim Modlish and Ken Gumpert.

The next agenda item was the Architectural Review Committee report. Bud Palmer indicated that since the last meeting only one request has been received, that was from Alan Gorden for a 40' x 60' storage building on his lot #69.

Noxious Weed Control – Jim Modlish asked a question concerning the control of noxious weeds in the ranch. The board maintains equipment for the spraying of weed control chemicals, but he asked if the POA maintains a supply of the chemicals necessary to accomplish the weed control. The board indicated that the POA does have chemicals available. Jim Morine presently maintains a supply of chemicals and Gary has a sprayer available for use. Larry Waltz indicated that the board will compile a list of all of the equipment that the POA owns and will put that list up on the website along with the contact information for borrowing the equipment.

#### NEW BUSINESS:

Jim White made a presentation with regard to the Silver Spurs Ranch well users association that had been established in 2009 to protect the water rights of those members who have wells in light of the CBM operations in the county. The association retained the services of an attorney to advise and represent the association in it's efforts to protect the wells presently in use. Specifically with regard to Petroglyph's application for a permit to continue drilling. The association's goal is to ensure that any permit approval contain language to protect the rights of well owners in the ranch from damages from the drilling. Jim indicated that he will keep the membership updated on any future developments.

Vern Evenden made a presentation on recommended well water testing. Vern explained that it is wise to have a baseline measurement of water composition and quality so that in the future, if gas/oil drilling in the county causes changes in the quality of the water or contamination, you will have proof of damages. Vern gave several options for testing, including cost and availability. Testing types run anywhere from about \$15 and up depending on the tests desired. P.C. Roberts suggested that in order to claim damages, well owners must perform maintenance on their well periodically. Well owner's should work with one of the well drilling companies to determine what is required. Vern spoke about a "shock treatment" for the well. This is accomplished by pouring

chlorinated water into your well head and flushing it through your system. Jim White also suggested that well owners keep a record of static water level. This can be accomplished by a well drilling company.

Larry Waltz next spoke about the letter that many property owners received from the Huerfano County Assessor relative to the grazing lease and the agricultural classification of properties on the ranch. Larry indicated that his investigation of the letter revealed that it was a form letter sent by the assessor's office. Larry feels that this is an attempt to overturn our grazing lease, as they contend that the land is not being grazed as it should be to qualify for the agricultural classification. If they can prove that grazing is not done on the ranch, or if enough property owners indicate that they do not want grazing done on their property, they can reclassify the properties to rural residential, which will mean an increase in the taxes on each property of over \$400. Pat McConnell, who has the grazing lease on the ranch, indicated that this may stem from more people fencing out cattle. Larry indicated that if a property owner signs onto the grazing lease, and fences their property entirely, it could be considered fraud.

The next item is election of board members. Vern Evenden and Gary Geiselbrecht's terms are up this year and they are both running for re-election. Larry asked if there were any nominations from the floor. A motion was made by Ed Lyon to re-seat the board members. Jim White nominated Jim Dexter for Treasurer. It was explained that the board elects the officers, the membership votes in board members. Carol Snow nominated Jim Dexter for a board position, it was seconded. We now have three nominees for two board positions available. The highest two out of three in the voting will be placed in the positions. Each of the nominees made short presentations to the membership to introduce themselves prior to the vote. During the vote, a complaint was lodged with regard to proxy's. It seems unfair that one board member has enough proxy votes to retain existing board members rather than allowing a new volunteer on the board. After a discussion, it was demonstrated that the procedure was according to the by-laws and perfectly legal and proper. The voting resulted in Vern coming in first and Gary in second. They will assume the two board positions available.

One of the members asked if anyone had seen a bear. Larry indicated that there is a bear in the area with a couple of cubs and it has been scrounging for food wherever possible. He encouraged residents to keep food sources out of reach of the bears and to frighten them away if they actually see them nearby. A comment was made to thank the board members for their efforts. Gary asked everyone to remember our friend Deacon, who passed away unexpectedly this year. Deacon was a member of our ranch family for many years and will be greatly missed.

The meeting was adjourned at 1:40 PM.