

CATHEDRAL PEAK RANCH LANDOWNER'S ASSOCIATION

<http://www.cprla.org>

2021 SUMMER MEETING MINUTES

Date: Friday, July 16, 2021

Location: Maher School House

CALL TO ORDER: Mark Minter called the meeting to order at 6:00 PM. A conference call recording is available at <https://www.dropbox.com/s/27p2u24cusd5aoz/7-16-21.wav?dl=0>.

ROLL CALL:

Board members present: Mark Minter, Bob Holden, Carol Inman, Scott Polson, Nik Brewer, Dean DiDario, Rick Gallagher, Terry LeBlanc, and alternate John Barnes.

Board members attending by teleconferencing: John Smith and Mike Smith

Board members absent: None

Landowners present: 22

READING OF THE PREVIOUS BOARD MEETING MINUTES: The board voted to skip the reading of the previous minutes.

NEW BUSINESS:

- Resolution on the delinquent lots:

There are two lots on the ranch for which assessments had not been paid in many years (10 ½ and 5 ½ years, respectively). The owners of these lots have consistently failed to respond to our communication attempts, and previous boards had placed liens on both properties to no avail. On the advice of the ranch's lawyer, and with the agreement of all but one board member, the board asked the law firm to notify the owners that after a specified date certain we would file a lawsuit against them seeking judgements for all past due assessments, late fees, and our legal fees. Both owners subsequently paid in full. Every lot on the ranch is now current.

- Production of new badges:

We obtained bids to make the (570) new hunting badges from print shops in both Grand Junction and Paonia. The Paonia shop's bid was several hundred dollars less than that of the Grand Junction shop, and the board voted to award the work to them.

- Budget additions:

Using approximately \$4,500 that we received from the delinquent lots, and approximately \$3,000 that we received from generous landowners via donations, the board added the following sums to the specified depleted budget categories:

- \$500 added to the administrative budget,
- \$2,000 added to the legal budget—although no further expenditures are anticipated there,
- \$3,000 added to the road budget for additional gravel (in light of the Doc's Pond Trail repair), and
- approximately \$2,000 will be reserved for emergencies.

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- Ranch financials

Present at the meeting was a small group of people who were quite concerned about individual line items in the ledger that they picked up from us just before the beginning of the meeting. I will report below on the questions raised, but I need to point out that **CPRLA financial records are available to all Association members at any time. If you would like to see anything with regard to ranch expenditures and revenue, you may request the records from Scott Polson, the Treasurer, and those records will be provided as soon as time permits.** If you want these records, please request them a few weeks before scheduled board meetings so that the meetings are not disrupted with issues that could easily have been resolved earlier offline.

- *Why did we ask the lawyer for advice on the doe-hunting question?*

A **more complete answer is provided below**, but in summary we needed to understand our limitations and possible liabilities in order to protect the Association.

- *Why is there a line item for a new gate?*

The north gate has been hit by trucks/trailers about six times in the past three years or so. The last event rendered the gate all but useless, and we had to replace it. The new gate was mounted to open out so that folks will have to stop well away on the uphill side and will be less likely to hit it, and so that greater clearance will be available to passing trailers.

- *Why were two board members paid for track hoe work?*

This was not paid out of ranch funds. Last year several of us got together and paid out of our own pockets for a track hoe to clean up around and in Doc's Pond. Donations to offset these costs were received over the next few weeks, and that donated money was ultimately divided evenly between the two largest contributors (Nik Brewer and Bob Holden).

Obtaining legal advice:

I have received substantial criticism for asking an HOA lawyer for guidance when the board needed it, and this July board meeting was no different. One must understand that good stewardship requires many things, among which are being able to look beyond the surface and recognize when we're lacking potentially crucial information, being humble enough to admit that we "don't know" when that is appropriate, and being reasonable enough to seek out the missing information and then apply it without personal bias. Making uninformed, snap decisions can result in unhappy consequences for the Association. I'll give a couple of examples of that below.

Doe hunting:

There are passionate opinions on both sides of this issue, as I have pointed out in the past. After the recent vote on doe hunting there were some Association members who felt that the board should impose sanctions of some sort, such as fines or suspension of hunting privileges, for people who possess valid doe tags but violate the ranch doe-hunting prohibition. We suspected that any such actions could have negative consequences for the Association, so I consulted the HOA lawyer to seek his opinion.

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One person in the July meeting criticized that action because the situation was a “no brainer.” It turned out that it was anything but a no brainer.

The lawyer wrote back, saying that this is a “surprisingly complex issue.” While no existing case law addressed this situation exactly, there exists case law for similar circumstances that comes down on both sides. In the end, the lawyer felt that there was a significant probability that the Association could be successfully sued, and he therefore recommended that we leave it at requesting voluntary compliance. That is what the board did. We spent a little money to get an informed opinion, but in so doing we may have saved the Association a lot of trouble in the long run.

Delinquent lots:

As I said earlier, we had two lots for which the assessments had not been paid in many years. Previous boards had put liens on both properties, but that had no effect whatsoever. We saw the possibility of some very negative consequences for the ranch in this. For example, what if we were never able to collect on these debts? What if other members saw that they could get away with this and decided to quit paying their assessments too? We have to maintain 29 miles of roads and an extensive water system for the ranch, and are barely able to do that with the limited funds available to us. How would we manage if the assessment revenue continued to diminish? So, I consulted the HOA lawyer to get the facts and define our options under Colorado law.

The lawyer informed me that simply placing a lien on a property would likely result in substantial financial losses to the Association; if the property changed hands, we would be able to collect only the last five years' assessments. That is, with nothing but a lien, a landowner could refuse to pay assessments for 25 years, sell his lot, and only have to pay for the five most recent years. However, a court judgement against the lot can be made to live on forever and we would ultimately recover every dime, including our legal fees. In fact, there would come a point at which the Association could actually petition the court to seize the property for the unpaid debt. The board had none of these facts prior to consulting the HOA lawyer, and is now in a position to establish a thoughtful, informed policy for dealing with such situations ongoing.

- Roads and water:

I have apprised the Association members of the status of the roads and water in letters sent earlier this year. Please call me with any questions that remain. We do not have the 1 ½ inch road base cap on the Doc's Pond Trail repair quite yet, but expect completion there soon. If Association members know of places on the roads that are particularly in need of repair and/or gravel, please let Mark Minteer or Bob Holden know ASAP.

Please note that last year many road hunters ran the roads from first light until dark every day, including when it was raining. As a result, the new gravel all over the ranch was pushed down

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into the wet roads. Further, daily use throughout the winter severely damaged the roads from the north gate, down the power line road, up over Deep Creek Trail, and part way up Deep Gulch Trail.

- 1) If you have guests who are road hunting, please ask them not to do it in the rain.
- 2) If you are using the roads in winter, please try to travel early when the roads are frozen.
- 3) If you are using the roads in winter, please use a light vehicle with good 4WD traction to limit the damage to the roads.

- Gate Combination:

Last year it was decided, based upon landowner suggestions, that we would change the gate combination both before and after the hunting seasons.

**Beginning August 1, 2021, the gate combination will be (see email)
On January 1, 2022 the combo will be changed again.**

- Badge transfer upon property sale:

We have encountered many cases for which landowners failed to give all of their hunting badges to the new owners at closing. The possibility of charging substantial money for replacements, and including that cost in the real estate closing documents, was discussed. The issue was deferred until the annual meeting.

Status of the ditch from Victory to Blue:

Over 25 years ago the ditch above Victory washed out and our substantial water from Dyre Creek ran down the mountain. The board at the time made the tragic mistake of not repairing that break, and someone down country ultimately filed on the water. This resulted in the loss of the majority of our water rights.

The 2.5-mile ditch from Victory to Blue is over 100 years old, and was designed and built with the Dyre Creek water in mind; that was a large and consistent flow. The ditch has almost no slope at all for the majority of the 2.5-mile run, and has numerous places that are, or look to be, very porous. We conclude that the probability of our getting most or all of the water from Victory down to Blue is approximately zero. It has been suggested that we leave the head gate at Victory open all winter so that the spring melt runs down the ditch, but those most familiar with the ditch believe that (1) there's just not enough water for that to effectively get the Victory water down to Blue, (2) keeping the ditch wet throughout the spring might result in extensive ditch damage from wildlife that our pathetic amount of water wouldn't be able to overcome, and (3) making Victory stay constantly dry may result in damage to the reservoir that will make it less likely to hold future water.

In my opinion, the harsh reality is that if we want all of the water from Victory to make it down to Blue, we're going to have to put the ditch in a pipe. Last year we buried a pipe from Strawberry down to the slide, and that was about 2/3 of a mile. That job cost a total of about \$25,000, about half of which was donated money. The run on this ditch is about 3.75 times the length of last year's project, so the cost on this would likely be on the high side of \$90,000. Obviously, taken in one bite that would far exceed our available resources. However, taking it in

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1,000-foot sections would likely get the job done in 10 years or so, and there's also the possibility of getting the Bureau of Reclamation involved in the project. Once a substantial part of the job is completed, we would also have the option of running water down the pipe and just letting the remaining section of the ditch try to carry it down to Blue—so we would likely reap benefits before the entire 10 years has passed. This is our water, and we need it badly, and we cannot afford to lose it, so please consider and we will discuss further at the annual meeting.

Building code, ranch Covenants, etc.

- The board received a letter from a landowner stating that he planned to build a “shack cabin hut” of under 200 square feet on his property, which would violate the Covenants. (500 square feet is the cutoff for a house per the CPRLA Covenants, and 200 square feet is the cutoff for needing a Montrose County building permit.) He subsequently said that he had chosen his words poorly, and that it was actually going to be a tool shed. There was also discussion of his proposed outhouse. The conversation became unproductive, and the board decided to just leave it up to Montrose County.

Brushy head gate:

- Some folks felt that they could lower the head gate at Brushy by over four feet, increasing the available water to the south side, using existing materials and at no cost to the ranch. No objections were voiced.

A FEW WORDS OF THANKS:

- Our thanks to the cowboys over at the Stirrup Bar for another outstanding job of moving the cattle up into the forest promptly at the end of the lease period.

- The board would also like to thank all who participated in the work weekends and accomplished so much for the benefit of the ranch. Among other things, volunteers did great work helping us patch the hole in the ditch below Victory, restore bar ditches, spray thistles, grade roads, repair the Alkali drainage below Doc's Pond, and clean the ditch from the divider box to Brushy.

Additional Note:

- As I have mentioned before, board member Terry LeBlanc has suggested that we offer a mentoring program of sorts—intern positions if you will—to young Association members. His thought is that it would be good for young folks on the ranch to learn where things are and how they work, as well as how the board of directors works. They will, after all, be taking over for us one day soon! Please call or write to the board secretary, or bring it up at the annual meeting, if you have candidates to suggest.

CPRLA-RELATED CONTACT INFORMATION:

Stirrup Bar Cattle foreman: Doug Bryant – (cell) 970-986-2672, (home) 970-399-7162.

Lion Hunter: Jerad Cotton – (cell) 970-640-9461, (home) 970-921-3029.

CPRLA Secretary e-mail: cathedralpeakranch@hotmail.com

CPRLA web site: www.cprla.org

ADJOURNMENT: Motion to adjourn was made, seconded, and passed.

Respectfully,

Mark Minter, President
CPRLA Board of Directors

Carol Inman, Secretary
CPRLA Board of Directors