

Minutes of a Special Meeting of the Board of Directors of River Glen HOA

Meeting Date: June 28th 2014

Location: Berthoud Community Center

Draft until approved at the next regular meeting of the RGHOA BOD

Board Members in attendance:

Tye Riley, Julia Stapp, Julie Rogers, Jamie Johnson, Gary Klug, Mark McGee

Homeowners in attendance:

Ken Carpenter, Katie Huxford, Bob Towry, Doug Petersen

Guests:

Ed Schemm of the Larimer County Health Department

Purpose of Meeting: Discuss and vote on a request from Larimer County for additional funds for the Larimer County LID 2012-1 project (the sewer improvement project).

Discussion:

- **Necessity of making a short notice payment to the county.** The County and contract requirements are such that the County may not proceed with the project unless the total anticipated funds are available. The low bid for the project came in at a cost greater than the funds available from the LID. If Riverside Farms and River Glen HOA do not pony up the requested funds, the project is cancelled and another LID would have to be voted on, with commensurate delay. Choosing not to pay would make River Glen HOA subject to immediate sewer plant permit issues because our permission to operate is contingent on proceeding with the project. Our current sewer plant lagoon system is not compliant and the State has granted us a delay on meeting standards to get the new project complete.

- **Riverside Farms has committed to paying their share of the additional cost and provided a check to River Glen HOA.**

- **River Glen HOA accounts.** Some RGHOA funds are in fixed length CDs. Early withdrawal may invoke loss/penalty. Treasurer states that we should be able to write a check from the general account without having an early withdrawal from RGHOA CDs.
- **How to bill homeowners of River Glen HOA.** This disbursement is made on behalf of homeowners by the HOA. A question was posed to Ed Schemm: "If the HOA did not exist, how would you get this additional money?" The answer: the County would have to go to each homeowner. Ed Schemm was asked, and he agreed, to write a letter to homeowners explaining the cost as a Larimer County LID cost.

The BOD discussed the two options available under the Covenants and By-laws. The By-law option is to treat this cost as a Waste Water Contingency Fund disbursement which allows anything from immediate payment to up to five years for repayment. The Covenant option is to treat this cost as a "Direct Cost."

Because the disbursement will significantly deplete reserve funds available to the HOA, the BOD chose to treat this as a "Direct Cost" and invoice homeowners for immediate payment (see below).

Proposals:

1. Approve the disbursement of RGHOA funds, on behalf of the RGHOA Members, for the payment of additional costs for the Larimer County LID Sewer Improvement Project.

The Board of Directors voted unanimously to approve this proposal.

2. Approve the billing of this as a "direct cost" to homeowners in accordance with the Amended and Restated Covenants allowing for 60 days for payment.

The Board of Directors voted unanimously to approve this proposal.

Actions:

1. A check for \$22,675 from River Glen HOA and a check for \$7,325 from Riverside Farms HOA will be delivered to Larimer County by Julia Stapp. (Note: payment made on June 30th 2014).
2. River Glen HOA homeowners will be billed approximately \$349 as a direct cost from Larimer County. Treasurer Julie Rogers will prepare and send invoices for this amount, payable within 60 days of mailing. Ed Schemm will provide a letter explaining the necessity for the additional cost which will be included with the invoice.

Mark McGee
Secretary, RGHOA BOD