**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF**

**THE CLUB AT COBBLE CREEK, INC.**

A meeting of the board of directors of THE CLUB AT COBBLE CREEK, INC. (the “Club”) was held on April 25, 2022. Those present and participating at the meeting:

Mike Weber, President

Pat Pitz, Vice President

Betsy(Betty) Willy, Secretary

Buck Andrews, treasurer

Gary Poteet – participated intermittently by phone while traveling

Eddie Anderson, General Manager

Chris Cox, Cobble Creek HOA liaison arrived at 5:25 pm

Ned Frazier, Spruce Point HOA liaison

**A quorum of directors being present, the board meeting opened at 5pm.**

**Approval of Agenda:** The agenda was approved with no additions.

**Approval of Minutes:** The Minutes from March 23rd were ratified as approved electronically by the BOD.

**General Manager’s Report:**

**BOD liability insurance:** Pursuit of liability coverage for the directors and officers continues. The board has received a quote of $26,000 from our current insurance broker. The board directed Eddie Anderson to pursue additional quotes for D&O liability and/or for general and D&O liability coverage. He estimated that we should be able to acquire D&O coverage for an additional $4,000.

**Update on City Business Expansion Grant:** There has been no further update from The City Manager Bill Bell. Eddie will seek a meeting with Bill Bell and Dave Wadlington to establish the status of this process.

**First Quarter Financials:** Eddie Anderson provided a Profit and Loss Statement to the BOD. This report reflects revenue from member dues which are mostly collected during the first quarter of the year. As dues collections drop off, the general revenues from the golf business will pick up and balance the revenue stream.

Net revenue at the close of 1st quarter 2022 is $66,000. The net revenue goal for the year per Eddie is $109,000 - $110,000.

The board agreed to publish a financial report reflecting actuals and hold the comparison to budget report until after the 2nd quarter as it will better reflect the revenue and expenses to budget once golf business and member dues begin to balance out.

The CC HOA, through Chris Cox (HOA liaison), has requested more detailed information regarding the use of Easement monies paid to the club in the past. The board decided to request a meeting with two members of the CCHOA board and the treasurer and president of the Club board to provide a more detailed review of the Club finances and use of easement monies. It is to be noted that at the direction of the Club BOD, a financial review was completed by an external CPA firm following the 3rd quarter of 2021 with no significant issues identified.

**Small Business Loan (Economic Injury Disaster Loan):** The BOD is exploring the possibility of the acquisition of a conventional 30 year SBL for $199,000 available currently at 2.75% through the EIDL program. No collateral is needed for a loan under $200,000. These monies may be used for any purpose other than business expansion per the Loan officer. Approval of the BOD will be needed after once approved by the lending institution.

**Water Rights:** Eddie reported that Marty Whitworth, water rights attorney, has recommended that the club not consider selling unused water rights at this time as these are junior water rights and may be necessary if there should be a severe drought in the future. She also recommended that we retain rights to the four wells in the current agreement.

The U.S. Department of the Interior Bureau of Reclamation’s watershed contract will be renegotiated at the end of the year. Notice to the water court will be filed by Marty Whitworth reflecting Cobble Creeks usage of the current water rights as required.

**Golf Cart Owners Agreement:** Eddie provided the BOD a sample agreement for the use of private carts on the golf course. The purpose of such an agreement is to spell out the liability and fees which are the responsibility of the cart owners as the carts are utilized on Golf Course property. The BOD will take this under advisement and seek additional input before making any decision regarding the content and necessity of such an agreement.

**Revenue from HOA Construction Fees:** The CC HOA currently charges $200 to contractors to clean up after a home construction is completed. The CC HOA then hires someone to do the clean-up. In spite of this arrangement, Paul’s crew still spends a significant amount of time cleaning up the construction debris. The BOD asked Chris to relay to the CC HOA that either the club should be reimbursed for this or the CC HOA should have a mechanism in place to ensure that the cleanup is complete.n

**Playground wood chips**: Safety standard for the use of wood chips as a surface under playground equipment per the City of Montrose is 9-12 inches in depth. The HOA and The Club have agreed to share the cost of the chips needed to upgrade the surface of our playground. The Club will absorb the cost of labor by Paul Heide’s (Grounds Superintendent) crew.

**Patio Home Irrigation system:** While the Club provides the delivery and amount of irrigation water to the community’s patio homes, it is the responsibility of the homeowner to maintain their own irrigation equipment. Paul often receives requests from home owners to increase the amount of water used for irrigation as the owners identify brown areas in their landscaping. Eddie reported that Paul Heide’s crew is willing to provide water audits to assist these home owners to determine how to modify their system as they install new plantings or older plantings mature and potentially block the irrigation water patterns. This would be done prior to simply increasing the amount of water flow to the home and would prevent overwatering resulting in spot flooding.

Eddie agreed to publish this potential service to home owners.

**Club House** staffing remains a challenge. Celeste Anderson has been hired to provide interim service as our events manager until a permanent replacement can be found for Michelle. We have staff out due to illness as well as a family emergency. Again, members are asked to be patient, suggest potential staff hires, and to refrain from circulating unfounded rumors.

**Long Range Planning Committee (LRPC) report:** This committee has committed to provide information to the membership regarding four future capital expenditure projects. These include: Cart Path replacement , Creek and Pond improvement , Irrigation, and Clubhouse and Creekside modifications. A detailed report will be prepared for each project including a discussion of need and a cost estimate.

**Membership Agreement:** As the BOD continues its review of the current membership agreement, minor changes in the wording have been submitted for review to Andrew Teske, Club attorney. It is the intent of the BOD to extend the present agreement over the next five years without major changes, using the current annual increase formula of 4% or CPI whichever is greater to guide potential increases in fees thus eliminating the need for members sign a new member contract and provide stability to the membership.

**Cobble Creek HOA report:** See financial section for financial information requests. Chris Cox reported that the combined work session of the CC HOA and Club Boards was well received and effective in providing better clarity for board members of the Easement Agreement and Amendment. It is hoped that additional combined board work sessions will be planned in the future.

**Spruce Point HOA report:** Ned Frazier reported Spruce Point HOA is concerned about safety and security within the community. Historically, there was an attempt to develop a neighborhood watch program. This is not currently active. Ned suggested that the CC HOA and Spruce Point HOA work together to form a new CC neighborhood watch program. The CC HOA did install security cameras in strategic locations around the community. Eddie suggested that these cameras are not entirely effective as they do not cover all necessary areas and are not able to provide a quality picture necessary to read license plates. This concern will be referred to the HOA safety committee chair, Dick Nally by Ned.

Ned reported that Flint Ogle has a plan for quality landscaping along 6450 rd. bordering Spruce Point North development. The estimate for the end of construction of the infrastructure and beginning of home building is late August. Ned also mentioned that he believes that Flint Ogle’s plan is to have the development’s HOA separate from Cobble Creek and Spruce Point’s HOA but nothing has been finalized.

**Executive session** was then convened. No actionable items were identified.

There being no further business, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 6:45pm.

**Betsy Willy**

**Secretary**