

R-RANCH AT THE LAKE NAPA
Ranch Owners Association
Quarterly Owners Meeting
Minutes for January 19, 2019

President, Joe Meyer called the meeting to order at RRanch Lodge at 12:00 p.m. Meeting was also made available for owner viewing via Facebook Live (pilot)

1. Directors present- Joe Meyer, Wayne Palmerton, Ed Russell, Sue Riley,
Mike Goodman

2. Others present- Brad Miracle, Ranch Manager and April Miracle, Operations Manager, Committee Chairs, Adam Craven
For owners list, refer to sign in sheet

3. Wayne Palmerton led us in the Pledge of Allegiance

4. Approval of Minutes – Meeting of October 20, 2018

Ed Russel Motioned to approve both meeting minutes, Wayne Palmerton, seconded, 5 ayes, 0 nays

5. Reports:

1. Ranch Operations

Brad Miracle

Fire Rebuild:

- Modular Home- house is ready for installation but waiting for weather to dry out to lay foundation
- Water tanks- county requested another permit, already provided 4. Will be taking care of permitting in the coming week so foundation and installation work can start
- Cabin permit- County requiring us to do investigation work regarding use permits. What is and is not permissible. We can replace existing cabins as is but no changes without letting them know what we can do. Brad reviewing all documentation to determine use permit. Brad narrowing down paper work and then forwarding to attorney for assistance. Joe mentioned that in addition we must comply to all code upgrades, fire laws, etc. Cant do that until we know what use permit allows. Looking at future of ranch and what owners would like. Researching what Park models offer. Current occupancy on cabins for full year – 8%, busier in summer but overall let's take our time, do the proper research and make the right decision for the future of the ranch. We are in no hurry based on current occupancy.
- Snack Bar- New renderings designs on wall received this week. Next steps, all construction documents completed and out for civil engineering, electrical reviews. Projected Spring/summer 2020. Best case, however we do not know what cost will be and county will do. We do not have final approved plans yet but making progress. Lots of permitting and code upgrades required.
- Campground- cleaning out family circle, removed 20 trees, trenching started for electrical- Rain put a hold on work. 54 sites are being impacted by electrical

work, in addition the 4 non-electrical sites will be set up with electric and 2 sites are being upgraded for a total of 60 sites

- Tree work- 90 % done by arborist but he walked away from remaining work. We had not paid for most of the work he left uncompleted. Demand letter was sent to vendor but he didn't respond. Our maintenance crew cleaning up remaining downed trees and will cut down remaining dead trees.

Upcoming projects

- Remodel of BH 3 and 8 and then pool house. Will continue with remaining bath houses until done
- In the meantime, continued clean up ground work due to severe rains

2. Office Operations

April Miracle

- Internet project- in progress since summer. New projected completion date is mid- Feb 2019. Technicians are running into technical bugs, requiring specialists to be brought in for troubleshooting last week. All IP addresses have been updated. If owners notice internet issues, slowness etc, let office know as soon as possible.
- 2019 budget was based on 1010 paying owners. For 2019 assessments paid, we have a record high of 832 paid owners to date. This same time in prior years- 478 in 2018, 665 paying owners 2017
- Board previously approved moving forward with legal collections attorney for a test of doubtful accounts
- 334 doubtful accounts for \$3.2 M, 20K approved cost – 43 deeds sent and expense paid out was under \$20K. To date, attorney collected \$23K including deeds back. 17 liens placed on real property of doubtful account owners for a total of \$72K (lien good for 10 yrs) and repayment anytime in next 10 yrs. Payment plans in place for some owners totaling \$42K
- Scanned and shredded 30 boxes of office paperwork as part of the converting 40 yrs of office information from paper to digital.
- Website- new web designer, improved website appearance. Most documents have been uploaded. All owners will need to re-register for owner portal. Looking for more pictures of ranch, please send to news@rranch.info . Next week will be working on reservations design for campground, cabins and ranch house. Manual step for booking confirmation email still comes through office.
- Housekeeping- rolling out solution for cabin cleanliness. Cleaning caddies will be distributed at check-in and return at check out. All cleaning supplies will be provided.
- Lots of fun stuff coming up, please pick up a newsletter.

3. Stables

Adam Craven

First, Brad wanted to take a moment to recognize Adam on the amazing work that has been completed. Clean up barns, repair fence line, leveling stalls, repairing stalls.

- Adam recognized and acknowledged all of the owner volunteers and continues to encourage volunteers at the stables.
- 26 ranch horses including China the miniature.

- Owner asked, any plans to purchasing additional horses before season? Staff allowable rides 14 per session and we can rotate. Will be looking to purchase additional horses as needed.

4. Presidents Report Joe Meyer

- Not much to report as everyone is bringing up all the wonderful work the crews have been doing. Wanted to address the concerns about increase in assessments. We understand the concerns but we need to keep the ranch going.
- Just been advised by insurance carrier that we will be getting reimbursed for code upgrade work on water tank and modular home.

5. Treasurers Report Ed Russell

- Budget performance 2018- end of the year we had a deficit of \$28,450.24 but we managed money well and made up for it and ended year within budget.
- Reserves \$537K
- General Fund \$330K as of 12/31/18
- Annual review of 2018 budget is scheduled for week of 1/20, ahead of schedule. Expect to have the review completed before April meeting. We plan to put money into reserves at the beginning of the year vs. end of year.
- Owner question- What is the maximum amount of money can the assessments be increased to per year. 20%. It was also increased by 20% in 2016.
- Big expense hitting us soon and we need to make sure we have reserves to cover it. Water lines – we must have a replace/ repair water line plan in place to show the state we in good faith are taking care of issues.
- Continuing to work on the full asset list, estimate our asset life span, plan for future replacement to project expense/income to build out our 3 yr and 5 yr plans.
- Owner comment- would like to get as much advance notice on assessments increase for future assessments. Expect 20% increase should be planned for as cost of everything is going up however the intent is not to increase unless absolutely necessary. Insurance, workman's compensation, infrastructure are primarily responsible for increase. People buying in with long term understanding of financial responsibility is critical. Intent is to find a way not to increase assessments however we will do what is needed to keep the ranch running.

6. Committee Reports:

1. Equine Sandy Storck

- Sandy- owner #1040 - Barn project well underway and panels in back of barn are still needed. New project- footing work in paddocks is needed, fly problem in sta-

bles, work day w/ Horsemen's is being planned. Hoping to start upswing in meetings again, looking to plan for events for the upcoming season. 26 horse owners w/ 33 horses.

- Fire and Safety committee- would like to get going again. Working w/ Ranch mgmt. on training plan for employee first aid and CPR for seasonal workers, fire dept and staff emergency plan testing. Ed recommends to put a formal proposal together to blast and engage other owners

2. Horseman's Association Andi Curenton

- Sandy Storck filled in for Andi Curenton and comments provided above.

3. Campground Colleen Silva

- Colleen Silva, owner # 354; 2-hour ranch pass hourly increase to 3 hours. Owners concerned that 2 hours is not enough time to move trailer and using guest pass. Requesting an increase by 1 additional hour to move trailer. Today, if you have guest pass for help it is held and as long as you leave within 2 hours you get it back. Not enough time and will be sending proposal to board for 3 hours.
- Golf cart safety, bright lights on top of golf carts, blinding people. Feels issue is outside of Campground committee but Ed requested to forward the issue to the board in writing and we will review.
- Campground Reservation Rule- you can only make reservation 30 nights in advance. 5 nights off. Recommending to change from 30 days to 14 days to allow owners to come up twice a month vs. once a month. Draft proposed change to board.

4. Cabin Cindy Lempke

- Cindy Lempke- owner #752. Already reviewed fire rebuild, cabin clean up.
- Looking to set dates for volunteer of painting A Cabins. Tree fell on Cabin 76 and repair work will need to be completed.
- Encouraging owners to fill out repair work orders. Excel repair sheet has been created for maintenance crew to track repair work.
- 2 additional cabins set aside for dog cabins. We have 7 total and not looking to add further cabins at this time.
- Solar lights at cabin entrances has been well received and would like to purchase additional 40 solar lights for the cabin entrances.
- Sandy Storck suggested to Cabin committee that fire extinguishers be provided in each cabin and board requested written proposal. Brad agreed the ranch would cover expense to purchase these for each cabin.
- Concerns raised about owners vs. ranch crew cleaning of cabins. Ed motioned to include cleaning form when owners check-in, Mike seconded, 5 ayes, 0 nays

5. Boat Albert Sanchez

- Albert not present and no report provided, however:
- Brad- Reported on theft at boat storage during Thanksgiving time. All boat owners were notified by ranch, police report filed. Theft occurred again a couple weeks later, notified police, report filed. Lake-wide issue as Pridmore and Arco all boats were also broken into. We have license plate and photos and truck information. Police are actively trying to locate truck.
- Owner concerns about unknown people coming in through back near South House gate. We have cameras covering these areas. Owners should report this ASAP.

6. Old Business:

- Approval of new Records Retention Policy- Ed motioned, Joe seconded, 5 ayes, 0 nays
- Group Reservation Rule changes- Sue motioned, Joe seconded, 5 ayes, 0 nays
- Approval of Managers Residence Foundation work- Wayne motioned, Ed seconded, 5 ayes, 0 nays
- Approval of Campground Electrical Upgrades- Joe motioned, Ed seconded, 5 ayes, 0 nays
- Approval of Honey Wagon Fee increase from \$10.00 to \$20.00- Sue motioned, Mike seconded, 5 ayes, 0 nays
- Update on Snack Bar- provided in Managers report
- Update on Cabin Rebuild- provided in Managers report
- Update on Internet Upgrade- provided in Managers report
- Update on Water Tank installation- provided in Managers report
- Update on Modular Home- provided in Managers report
- Update on CalTrans requests- provided in Managers report
- Update on Legal Collections Action and Approval to send more accounts- provided in Managers report
- Caltrans Project Update- CalTrans needs to conduct repairs on the bridge between Ranch and Turtle Rock. They need to borrow land and have requested a temp lease agreement, 7 yrs. To complete and monitor project. Original offer \$1500.00, Doubled offer and we rejected. Hired attorney and Ranch proposed cost impact on horse trails which we valued at \$118K. Attorney asking \$50K from Caltrans. They are threatening imminent domain, we are holding up project for now and still negotiating.
- Randy Cohen #124- Provided update on Snack Bar
 - Hoping by mid-February date to complete next steps, 5 sets of engineers working and plan to have everything wrapped up to send out for contractors bid within 2 months. Anticipated bid review April/May. 6-8 months to build based on county reviews, inspections, approvals etc.
 - A lot of work on kitchen equipment, menu creation completed as we only have use permit for snack bar, not restaurant – everything must go to county for approval. Plans include soft serve ice cream, 3 deep fryers, pizza oven, flat stove.
 - Owner question- will we bring in contractor to run food service or will the ranch have trained staff to run. We could send employees to training class.

Board and Ranch Operations have had discussions around the need to determine revenue if it makes sense to lease out or run business.

- What is the cost to build, Randy heard \$250-\$500 square foot but cost unknown. 1275 sq building. Insurance paid \$285K for building and Joe believes we are still due code upgrades reimbursement. Current plan does not have a bathroom included, county will tell us if we can use existing bathrooms in lodge or add on to snack bar design.
- Owner comment- make sure to notify owners about construction debris.

7. New Business:

- Move April Quarterly Owner meeting from April 20th to April 27, 2019. Ed motioned, Wayne seconded, 5 ayes, 0 nays
- Election Inspector. Position responsible for ensuring the election is followed according to governing requirements. Includes ensuring timeline and deliverables are followed, candidate statements submitted, candidate forum, candidate eligibility. Assembles the volunteers for tabulating votes. No volunteers to date from owner blast. Need to firm up by April quarterly meeting

5 minute break- Mike motioned to reconvene, Ed seconded, 5 ayes, 0 nays

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8. Open Forum:

- Nancy Pon #1010; wasn't assessment increase to include asst. manager and other employees. If so, when is the management planning to hire. Yes, it will occur in April/May
- Cindy Lempky #752; are we actively advertising deeds for sale and what is the cost. We do not have marketing plans budgeted. Current deed cost is \$2K. We will have section on new website offering sale of deeds. Current practice of people giving away shares, devalues our share prices. April provided facts – 10% turn over each year. As we continue to put efforts into capital improvements, aesthetically appealing we will be in a better position to support greater share price
- Anthony Moscalleri #930 – Want to thank board and ranch management for all they do as seeing a lot of hard work and improvements.

9. Site to Site Drawing – 77 owners entered raffle. 50 selected.

10. Regular Meeting Adjourned: Ed motioned to adjourn meeting at 2:56 p.m. Wayne seconded, 5 ayes, 0 nays

11. Executive Session:

Joe Meyer called meeting to order 3:46 pm

All board members present, including Brad Miracle, April Miracle and Kim Frees

Old Business

- Share Transfer Administration Fee Increase discussion
- Finalize 2018 Budget (Surplus Funds & Unfinished Projects)

New Business

- 2019 Budget Update
- Managers update

12. Next Board meeting scheduled for 12 noon on April 27, 2019, R Ranch Lodge

Ed moved to adjourn at 5:15 pm, Sue seconded, 5 ayes, 0 nays

I certify that on January 28, 2019 a copy of this agenda was posted in public view at the Office of R Ranch at the Lake at 1962 Capell Valley Road, Napa CA, on the R Ranch Website and by Email BLAST.

Sue Riley
Secretary
Board of Directors
R Ranch at the Lake Owners' Association