

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
SHELDON D. RICHINS BUILDING
PARK CITY, UTAH
MAY 16, 2017

In Attendance: Tony Tyler - President; Dan Heath - Vice President; Honey Parker, Secretary; Matt Brown (Area 1), Jeremy Jespersen (Area 2); Dustin Kilbourne (Area 3); Robert Walthall (Area 4); Tom LeCheminant (Area 7).

Ex Officio: Jody Robinson, Ranch Manager; Robert Rosing, Outside Legal Counsel

Excused: Matt Brown (Area 1); Jodi Taylor, Treasurer; Bruce Hutchinson (Area 5)

Guests: Pamela Middleton, FM-D-178; Kirby Wilson, G-24-A; Dennis Durango, Windy Ridge; Jan Levitre, F-17; Carolyn Strathern, F-50; Connie Perkins, D-41; Jonathan Hoffman, SS-144-C; Jason Smith, FM-C-57; Glen Verrone, Lot A-42. Ted Bonnitt was on Facetime.

The meeting was called to order at 6:32 p.m.

Approval of Minutes

MOTION: Honey Parker moved to APPROVE the Minutes of April 18, 2017 as written. Dan Heath seconded the motion.

VOTE: The motion passed unanimously. Jeremy Jespersen and Robert Walthall were not present for the vote.

Owner/Visitor Open Forum

Someone asked why everyone had not received information on the mailbox through email when a few months ago everyone decided it was acceptable to send emails for official Ranch business. She saw from the Minutes that it was up to the Area Reps to notify everyone in their area. She wanted to know why they were not using email for these purposes even after they were given the okay to do it.

Mr. Tyler did not believe there was specific information on the mailboxes that could have been emailed. It was talked about at the last meeting, but the intent for this meeting was to discuss what they wanted to do with that area.

It was suggested that the information that was posted could have reached more people if it had been emailed to everyone. Another suggestion was to post the information on the website.

Mr. Tyler remarked that the Board has not yet determined a consistent way to effectively

utilize email blasts to the membership. They were planning to create rules and regulations for email use by the Board members and that still needed to be done. It is important to make sure they avoid sending out emails that have inaccurate or untrue information, or items that have personal business ventures. Mr. Tyler recalled that a few meetings ago everyone was advised not to use email until those rules were in place.

Honey Parker remarked that for something like mailboxes, it would be easy to post it on the website and the Facebook page.

Mr. Tyler reiterated that the Board members were asked not to use email until there is a system in place that specifically defines what they are going to do. Someone wanted to know the plan for getting that system in place and whether they were looking for people to sit on a committee. Mr. Tyler replied that it is on his list of things to do, and he and Mr. Rosing have talked about it at length. Mr. Rosing needed to draft a document for the Board to review and edit. Mr. Rosing offered to draft the document. Mr. Tyler would put it on the agenda for June.

Someone asked for an update on getting a mailbox. Mr. Heath noted that mailboxes were on the agenda for discussion later in the meeting. He had obtained bids and needed permission from the Board to allocate funds to move forward. Mr. Tyler tabled this discussion until later when it was scheduled on the agenda.

HOA Representatives and Secretary Replacement

Mr. Tyler noted that this was for Roy Parker's vacated seat. He understood that Kirby Wilson had also ran as a candidate to be the Area 6 representative. Mr. Tyler asked if anyone else had expressed interest in the Area Rep position for Area 6. There were no others.

Mr. Tyler stated that the Board has the authority to appoint vacated seats at the Board's discretion. The seats run for the remainder of this year's term until the next election at the Annual Meeting. At that point, whoever is elected for that Board seat serves out the remainder of the original term of the vacated Board seat. There is always a staggered group of tenured Board members over time.

MOTION: Tony Tyler made a motion for the Board to appoint candidate Kirby Wilson as the Area 6 representative for the Board of the HOA. Dan Heath seconded the motion.

VOTE: The motion passed unanimously. Robert Walthall abstained.

Mr. Tyler welcomed Kirby Wilson to the Board. He explained that Mr. Wilson would be on the Board until the next election at the Annual Meeting, and if he is elected he would serve the remaining two years left in the term. Mr. Heath thanked Mr. Wilson for volunteering.

Mr. Tyler reported that Honey Parker was leaving the Board because she was moving away. Ms. Parker has been the HOA secretary for five years. She has done a fantastic job and will be incredibly missed. He wished her luck on her new venture.

Mr. Tyler understood that Pamela Middleton was interested in joining the Board as the replacement for the Secretary position. He asked Ms. Middleton to provide a brief bio.

Mr. Middleton stated that she has lived on the Ranch for at least three years and loves it. She is a biologist and an environmental consultant and she works from home. She likes to run on the roads and hang out with her dog. Ms. Middleton noted that she is also a secretary on an HOA Board in Moab for a condo she owns. She would like to get more involved with the Ranch community and being on the Board would help achieve that goal.

Ms. Parker assumed she would still be on the Ranch for the next meeting, but she was willing to use that time to show Ms. Middleton what she does as the Board secretary.

Mr. Rosing stated that Ms. Parker could step down and the Board could appoint Ms. Middleton to fill that position. Ms. Parker could then stay on and help Ms. Middleton. He pointed out that she would not have to remain on the Board to help with the transition. Ms. Parker thought that was a good option. The other Board members were comfortable with that approach.

Mr. Tyler stated that Ms. Parker should submit an official resignation. Ms. Parker officially stated that she was resigning.

MOTION: Tony Tyler made a motion for the Board to appoint Pamela Middleton as Secretary of the Pine Meadow Ranch HOA for the remainder of this year to fill Honey Parker's position. Kirby Wilson seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler welcomed Ms. Middleton to the Board.

Jason Smith asked if Mr. Tyler was aware of a resignation from the Area 1 Rep. Mr. Tyler replied that he was not aware that Matt Brown intended to resign his position as

the Area 1 Rep; however, he was told about it when he arrived this evening. He understood that Mr. Brown had emailed the Board members just prior to this meeting. In his email Mr. Brown expressed regret for missing many of the Board meetings, but work duties and family duties have taken most of his time. Mr. Tyler read the email aloud, in which Mr. Brown stated that he was going to step down from his Area 1 role because it was not fair to the Board when he could not attend the last few meetings due to travel. Mr. Tyler believed the Board needed an official resignation from Mr. Brown rather than just a statement of his intention to resign before they appoint a new Area 1 representative.

Jason Smith and Jonathan Hoffman expressed an interest in filling Mr. Brown's position. Mr. Tyler requested that each of them send Carol a short summary of their background and why they would like to be on the Board. Carol will include it in their packet next month and the Board would vote to appoint one of them upon Mr. Brown's official resignation. Mr. Tyler would follow up with Mr. Brown on his resignation.

The suggestion was made to vote on the Area 1 replacement via email rather than waiting an entire month since people tend to be nervous when they do not have an Area Rep. Mr. Tyler set the following Monday as the deadline for submitting the bios. He asked Carol to circulate both bios to the Board and the Board would review them and vote via email, assuming they have Mr. Brown's resignation at that point.

Mr. Tyler asked Mr. Hoffman and Mr. Smith to introduce themselves.

Jonathan Hoffman stated that he has lived on the Ranch for two years. He is originally from South Florida. He came to Utah nine years ago. He lives with his wife and two sons. Mr. Hoffman remarked that he is extremely passionate about this area and he has no plans to ever move. He is also excited about helping to establish this community and to build it up and make it a place where people can function and live year around.

Jason Smith stated that he was born and raised in Salt Lake City. He has lived on the Ranch for approximately 2-1/2 years. Mr. Smith was in the construction business most of his life until it collapsed in 2008. He has been working as a manager in the oil fields in North Dakota. He thinks Pine Meadow Ranch is a great place and he cares about it. He just wants to be involved and try to make it an ever better place that works for everyone.

Mr. Tyler thanked Mr. Hoffman and Mr. Smith for volunteering to fill the position. Their interest is indicative of a good community.

Governing Documents

Ted Bonnitt had sent an email asking about the retained legal counsel's review of the governing documents, the total amount of HOA funds paid and what has been billed and not yet paid to date for legal counsel review for this task. He wanted to know the legal review of the governing documents, when it is due to be completed and final recommendations presented to the Board. If a completion date has not been determined several months after the review is authorized and legal counsel was retained, Mr. Bonnitt requested that the Board discuss and agree to a completion date this evening. If Mr. Rosing's input was needed to determine a completion date, he requested that Mr. Rosing provide a promised completion date before the meeting next month.

Mr. Tyler noted that Mr. Rosing had submitted a summary review of the initial pass of the documents. However, he believed it was something that should be addressed in closed session. Mr. Tyler suggested that the Board set up a time with Mr. Rosing to meet in closed session sometime in the next month to discuss the results of his review and to determine the next steps.

Carolyn Strathern asked why Mr. Tyler felt that it needed to be discussed in private. Mr. Rosing stated that in his opinion there should be a complete rewrite of the governing documents, but he preferred to discuss some of the specifics and the details with the Board before it goes out to the public in an open session.

In response Mr. Bonnitt's second question regarding total amount of HOA funds paid, Mr. Tyler stated that one of the bills submitted for payment this evening was \$2,075 for legal fees, which would bring the total legal fees from January 1 to May 15 to \$2,856. That amount incorporates fees from Mr. Rosing and a small amount from Ted Barnes who has been working on other items. Mr. Rosing stated that part of the work billed was the start to the rewrite in terms of reviewing the lots and the plats and the documents that will go towards the rewrite task.

Mr. Tyler commented on Mr. Bonnitt's question regarding a completion date and final review of the governing documents. He noted that the documents have been completed and the next step is to schedule a closed session meeting with Mr. Rosing and the Board. He assumed that would take place within the next month. When the final report is presented to the Board and ready for public input, Mr. Tyler anticipated that some type of legal notification would be mailed to every property owner in addition to being posted on Facebook and email.

Mr. Rosing stated that a vote by two-thirds of the members is required to pass any new governing documents. Ms. Strathern suggested that they send proxies with the legal

notification so those who cannot attend the meeting could still vote.

Mr. Tyler asked Mr. Rosing to comment on Mr. Bonnitt's suggestion to live stream HOA Board meetings. Mr. Rosing stated that he and every HOA attorney he knows have always taken the position that meetings should not be recorded or streamed, primarily because it can lead to defamation lawsuits. What is important in a meeting is what was decided, and that is reflected in the written Minutes. He was beginning to change his opinion on recording a meeting because nowadays everyone has the ability to record, and everyone should assume they are being recorded at all times. Mr. Rosing did not have a firm opinion on streaming; however, knowing that you are being recorded or streamed changes the way people act and what they say. For that reason and for the issue of defamation, he typically recommends against it. Mr. Rosing stated that if there were strong feelings about streaming, he might be willing to consider it, but historically, his opinion has always been against it.

Mr. Bonnitt did not understand the difference between people who can personally attend a meeting and hear the discussion versus a member who can do the same through a secure log-in over a streaming mechanism that is not open to the public. He noted that sensitive materials or discussions regarding liability issues could still be done in closed session. In terms of general business and trying to build community awareness and involvement they need to develop better communicative tools at their disposal through the internet. Mr. Bonnitt understood Mr. Rosing's concerns, but he thought those concerns could be mitigated by being selective on how they use the streaming technology.

Mr. Rosing stated that if the Board were to move in that direction, that would be the best way. It is still impossible to know who is watching or listening if the meeting is being streamed. That is the difference between streaming versus having people in attendance. Mr. Rosing acknowledged that the Board would make the final decision.

Mr. Rosing believed Pine Meadow would eventually have a fine schedule. It is a good mechanism, but when someone is fined, that person is entitled to a hearing from the Board to contest the fine. Mr. Rosing recommended that those discussions be recorded. However, that would be a specific circumstance, and he was still hesitant about the idea of streaming. He suggested that the Board discuss the idea of streaming in a closed session.

Mr. Kilbourne stated that he had responded to Mr. Bonnitt's email. Mr. Kilbourne suggested that he and Kirby Wilson explore the options and present them to the Board. It is important to know what they can or cannot do, and how much it would cost. He was also unsure how to make it secure to the membership only without forcing people

to sign up for services; and he was not comfortable doing that. Mr. Kilbourne stated that if they could find an option to secure it in a cost effective way, they would bring it back to the Board. Mr. Tyler was willing to let Mr. Kilbourne and Mr. Wilson do the research, and if they have something to present it would be done in a closed session to discuss the risk and the benefit before the Board would make a decision.

He noted that the documents have been completed and the next step is to schedule a closed session meeting with Mr. Rosing and the Board. He assumed that would take place within the next month. When the final report is presented to the Board and ready for public input, Mr. Tyler anticipated that some type of legal notification would be mailed to every property owner in addition to being posted on Facebook and email.

Mr. Rosing stated that a vote by two-thirds of the members is required to pass any new governing documents. Ms. Strathern suggested that they send proxies with the legal notification so those who cannot attend the meeting could still vote.

Mr. Tyler disclosed that because of his working association with Mr. Rosing, he would not be voting on any future matters that involve Mr. Rosing. Because he is President of the Board, he could not completely absolve himself from all communication; but for the sake of transparency, he would copy Dan Heath or another Executive Board Member on all communications.

Ideas were discussed on the process for obtaining public input on the re-write of the governing documents. Mr. Rosing assumed it would require at least one or two meetings where the members could talk about it with the Board and make their comments. Mr. Tyler envisioned a series of open-house style meetings where the Board and Mr. Rosing could directly answer questions and the members would have the opportunity to respond.

New Construction/Additions

Lot PI-G-96

Mr. LeCheminant reported that in November the owner of Lot PI-G-96 received Board approval. However, the documents were never signed by Mike Gonzales, the Area 6 Rep at that time. Mr. LeCheminant provided a quick review of the plans to make sure the Board was still comfortable with the plans.

Mr. Tyler stated that since the area rep had not signed the documents, he suggested that the Board revote to approve and have the new area rep execute that version.

On behalf of the Architectural Committee, Tom LeCheminant recommended approval since the plans had not changed.

MOTION: Kirby Wilson moved to approve the construction plans for PI-G-96. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler noted that Mr. Wilson would have to sign the agreement as the Area 6 Rep., and verify whether the impact fees have been paid.

Lot PI-E-02

Mr. LeCheminant reported that Barry Eisen, Lot PI-E-02, had designed a different house because the first house went over his budget. His original house plans were approved and he was submitting new plans. Mr. Eisen had already paid his impact fee. Mr. Tyler stated that Mr. Eisen would need to submit a new Lot Improvement Plan Agreement, and they would note that the fee had already been paid. He asked the Area 3 Rep contact Mr. Eisen and explain that he needed to resubmit with the information for the new configuration.

Legal Representation at Board Meetings

At the last meeting the Board discussed having Mr. Rosing attend every Board meeting to answer questions and give legal advice. Mr. Tyler had contacted Mr. Rosing and he agreed to reduce his fee per hour and charge for his travel. Mr. Rosing set a fixed cost of \$300 per meeting, including travel, based on a two-hour meeting. If it was slightly over two hours, the price would remain the same. If it significantly exceeded two hours he would have to charge for additional time.

It was noted that Mr. Tyler could arrange the agenda so any items that might require Mr. Rosing to be present could be discussed first. It would not be necessary for Mr. Rosing to be present when the Board talked about general Ranch business.

MOTION: Dan Heath made a motion to hire Mr. Rosing to attend every Board meeting for a fixed rate of \$300 per meeting, including travel costs. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously. Mr. Tyler abstained because he and Mr. Rosing were involved in another matter on another project.

Mr. Tyler disclosed that he would not be voting on any Board matters involving Mr. Rosing. As President of the HOA, Mr. Tyler did not believe he could absolve himself from all communications; however, for transparency he would always copy Dan Heath or another member on the Executive Board on all communications.

Ranch Manager Report

Jody reported that the equipment was in good condition except for the roller. He had obtained an estimate to lease a roller, and the cost had increased from \$3500 last year to \$4200 per month this year, plus tax. However, a roller is not currently in stock and it was uncertain when one would be available.

Mr. Tyler noted that the roller is a critical piece of equipment for the Ranch and it was important to know when a roller would be available if the Board were to authorize the lease this evening. Mr. Tyler understood that Tom was going to reach out to an equipment dealer to see if they had a roller to either lease or purchase.

To update the new Board members, Mr. Tyler reported that last year the Board did an extensive analysis and found that at \$3500 it made more financial sense to lease a new roller every year rather than purchase a used roller because Jody was spending more time repairing the roller than using it to roll the roads. Mr. Tyler noted that the construction industry is booming and there are equipment shortages. He thought it was likely that they could end up without a roller for the summer. Mr. Tyler suggested that the Board may have to reopen the discussion on purchase versus lease. He recognized that purchasing a piece of equipment when demand is high is not the best timing economically, but the priority is to maintain the roads on the Ranch. The roller they have is not operational and needs extensive repairs. They have tried to sell it but no one wants to buy it.

Mr. Tyler asked Jody to find out when a roller would be available to lease, and for Tom to see if one is available for either lease or purchase. Once they have that information the Board can discuss what to do and vote on it. Jody stated that he would send Mr. Tyler an email when he has the information and he could forward it to the Board members.

Jody had compiled a list of Ranch roads that definitely needed gravel and the cost per load. Mr. Tyler suggested that Jody hold that discussion until they talk about roads later in the meeting.

Mr. Tyler noted that five of the seven tires on the grader needed to be replaced. Jody had obtained a bid in the amount of \$2,406.14. The dump truck also needed six new

tires at \$13,026.06.

Jody noted that the truck was due for registration at the end of the month.

MOTION: Tony Tyler moved to approve the replacement of the tires on the dump truck and the tires on the grader at the previously stated amounts of \$2,406.14 and \$13,026.06 respectively. Jeremy Jespersen seconded the motion.

VOTE: The motion passed unanimously.

Jody reported that he had been working on water control and fixing signs. Three signs were missing at Chipmunk, Windy Ridge, and Heather Lane. Mr. Tyler asked Jody to obtain a quote to reorder the three road signs.

It was noted that the Board had talked about selling the old signs to help recoup some of the cost of the new signs. Mr. Tyler suggested that they create a list of all the signs, and take the signs to the next Annual Meeting and sell them at a silent auction. The Board favored that suggestion.

MOTION: Tony Tyler made a motion to order three replacement signs for Chipmunk, Windy Ridge and Heather Lane, not to exceed \$75 per sign. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

PMMWC Board Meeting Report

Tom LeCheminant had attended the Water Company Board meeting. The Water Company approved putting another microwave tower on the large 200,000-gallon tank on Windy Ridge to allow another internet provider into the area. It would beam down to Rockport Estates and hopefully come back up and transmit to Alexander. Mr. LeCheminant noted that the only stipulation was that the tower would be removed immediately if it interferes with the telemetry.

Ongoing Business

Ranch Manager Assistant

Mr. Tyler reported that Mr. Kilbourne met with Jody to jot down ideas for a job description prior to this meeting and that would be summarized and distributed so it could be posted. Mr. Tyler stated that if anyone knew someone looking for work, they

should contact Jody. One qualification is that they must be an experienced equipment operator, and that is difficult to find. Mr. Tyler expected that they would have to pay more than they planned to get that expertise.

Someone stated that Brian Hobbs had said he knows 10 people who would love to have that job. Mr. Tyler would contact Mr. Hobbs.

Mailboxes

Dan Heath stated that currently there were 40 people in line to get mailboxes. If they were planning at all for the future, he believed they would need 50 or 60 mailboxes. There is one box on reserve at Summit County and the County has been doing it in pods of 16. Mr. Heath had researched the internet in search of the most cost effective way to purchase mailboxes. He noted that most would be 16 if they are on a pedestal, stand alone and are ready for outdoors. He anticipated the cost of that scenario of 16 to be approximately \$1300 to \$1500 apiece. He believed they would need three boxes because Summit County has one. The total cost would probably be close to \$4,000, which would not include cement work. Another option would be to pour a cement pod, go with the larger boxes that have 34 in a box for approximately \$1400 each. The problem is that those boxes have to be covered. Mr. Heath thought they could use the cost savings to build a nice cover and cover the old concrete with a nice pad. They could light it and make it look attractive.

Mr. Tyler stated that Silver Creek behind Bells was a good example of what Mr. Heath was suggesting. Mr. Tyler noted that the land was owned by Summit County and the post office has permission to use it. If they intend to build a cover over the mailboxes he assumed they would have to ask Summit County for permission. The structure would have to be engineered and stamped by a structural engineer. It would have to be installed by a general contractor.

Mr. Heath preferred to move away from the little pods and build something they could add on to and make it large enough and covered so they could use the more economical boxes. Since so many people were waiting on the mailboxes, he suggested that the Board approve a not to exceed amount, and he would work with another Board member to do whatever is necessary to get started before the next meeting.

Mr. Heath estimated \$4,000 to \$5,000, and he would come back for Board approval before spending any money. Mr. Tyler stated that if they were just looking at a concrete pad and using the pedestals they could probably do it for that amount. However, if they plan to cover it, it would triple the cost. Mr. Tyler favored spending the

money to have an actual structure with mail boxes for 400 people. The cost of that would be approximately \$15,000 to \$20,000.

The suggestion was made to take pictures of other examples and to obtain three bids. Someone volunteered to help Mr. Heath obtain examples and bids and send it to the Board via email. Mr. Heath would get a ballpark figure and make sure their plans are acceptable to both the post office and Summit County.

Lots joining the HOA – SS-146-K

Mr. LeCheminant noted that the Board started this discussion at the last meeting and continued it to this meeting.

Mr. Tyler was asked to comment on annexation versus joining the HOA. Mr. Tyler understood that there were two different mechanisms. He explained that the Water Company is a shareholder owned private water company, and in order to have access to a water share through the Water Company, a pre-requisite is to join the HOA. If someone has a water hookup through the Water Company, by default they are a member of the HOA. Mr. Tyler remarked that the issue has been litigated in the past, and he believed the HOA has always been successful in that portion of the annexation. If they were looking to annex a larger piece of ground, Mr. Tyler assumed they would have to go through a very different process under the governing documents. He asked Mr. Rosing if there were any complications associated with the current process of someone joining the HOA simply to get access to water.

Mr. Rosing stated that this process was very unusual from the typical way of bringing into the Association, particularly since it was out of development control. Usually a vote would be taken and the plat would be recorded. Mr. Rosing remarked that the Water Company is its own entity and they can say or require whatever they want, but they cannot require the Association to do anything, and vice-versa. The Water Company was taking the position that the owner has to be a member of the HOA, but there are lots and parcels that are not on any of the HOA plats. Therefore, by joining the Water Company he could not see a mechanism that would make those lots part of the HOA.

It was noted that people have the option of digging a well or getting water from the community. Oftentimes the owner will approach the Board and ask to join the HOA to they can connect to the water system. Mr. Rosing found it difficult to address their questions at this point because it was different from anything he has dealt with. He recommended that they clean it up in the re-write.

Mr. Tyler explained that the Water Company and the HOA used to be the same entity.

When they were dissolved, language in the Water Company governing documents requires membership in the HOA in order to be a shareholder. Mr. Tyler stated that the process and the documentation has been unclear. Mr. Heath recalled that the original form was different from what is used now. The wording that the owner would be assimilated into the HOA was not actually on the form. He explained that the intent was for the owners to pay dues to help maintain the roads, but they were not supposed to have a vote. Mr. Heath remarked that the intent had morphed into the word "annexation".

Mr. Rosing explained how the process should work. He was unsure about the annexation process that Pine Meadow was using and he offered to look into it. Mr. Rosing recommended that the Board discuss the matter in closed session after he looks into it. Mr. Rosing remarked that another way to do it would be to record a contractual agreement between the HOA and the individual lot owner saying that the owner would pay a specific amount and be subject to the CC&Rs. He thought that would be easier than requiring someone to join the HOA.

Cabins Built on HOA Property

Mr. Tyler noted that Alan Powell had previously worked on this, and Ted Barnes has been working on it as well. Now that Alan Powell is off the Board, he did not believe anything else had been done. Mr. Heath stated that he had met with Mr. Powell and he understood that they were close to an agreement. Mr. Heath met with the owner and after that meeting he did not believe they were close to any kind of agreement.

Mr. Heath explained the history of this lot for those who were unaware of what had transpired. Mr. Tyler suggested that the Board have Mr. Rosing work on this matter rather than Ted Barnes.

Mr. Heath reported that Carol had spoken with the owner and he would like to pay the taxes on the lot. At one time the HOA was being billed for his home. Mr. Tyler explained that they found out that the cabin was on HOA property because two years ago the HOA received a tax bill for a house on the lot. The HOA appealed saying that they did not have a cabin. Summit County responded to the appeal with a picture showing the house on the HOA lot. The HOA appealed again and came to an agreement with the County Assessor to temporarily tax the cabin itself as personal property associated with the adjacent lot. Summit County created a new tax ID for the personal property, and the HOA is not paying the property taxes on the home. However, Summit County would not get involved and told the HOA that it was up to them to fix the problem because the County would not tax it as personal property indefinitely.

Monthly Budget Review

The Board reviewed the unpaid bills detail.

MOTION: Tony Tyler moved to Approve paying the unpaid bills as outlined. Dustin Kilbourne seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler referred to the Financials and noted that \$35,000 was budgeted for aggregate purchases and hauling. In addition, the Board had identified money in the Capital Reserve Account that was transferred over last year as additional revenue to be utilized this year to make repairs and improvements to the Ranch roads. Mr. Tyler pointed to the balance sheet and noted the total in the accounts, less the accounts receivable and other assets.

Someone stated that Carol had provided a good explanation of why the bookkeeping is done the way it is. He asked if that was something they could filter through Mr. Rosing and make the membership aware. They could discuss it at a future meeting and it would be in the Minutes so anyone could see it, particularly the ones who asked the question. Another person was comfortable discussing it with the Board and providing the answer to those who had asked the question, but he was not comfortable just giving it to everyone because it could raise more questions than it solves. Ms. Parker agreed that anyone who asks a question should be given a clear answer.

Mr. Tyler noted that the HOA had spent approximately 20% of the budget. The total budget was \$283,375. Of that amount, they had spent \$55,848, leaving \$227,000 left to spend.

In response to a question about the aggregate budget, Mr. Tyler replied that the aggregate budget has ranged between \$35,000 and \$50,000 and it changes on year to year depending on available funding. The budget was dropped to \$35,000 this year because they anticipated spending a significant amount of money on the asphalt portion of Tollgate Canyon Road. Mr. Tyler stated that they tried to do Tollgate Canyon Road last year, but the bids were in the \$70,000 range. The bid Jody obtained this year was \$47,593. It is a typical slurry seal but not the aggregate slurry seal that would protect it on a longer basis. Mr. Tyler stated that the bid was for crack sealing, blowing out all of the existing cracks along the asphalt portion from the highway to where it ends just before A-plat, and a Type 2 slurry seal. Mr. Tyler explained that when the new asphalt was put in they recommended a slurry seal every other year. The asphalt was put down

in 2013 and this will be its fourth summer. Mr. Tyler remarked that it was beyond necessity at this point.

The Board reviewed the list of road work that Jody had compiled after he drove around the Ranch and identified roads that needed to be worked on. Mr. Tyler explained how they determine the product type and use Google Earth to calculate a volume, which is then converted to cost. The cost numbers are based off of the entire length of the section of road that needs to be fixed and an estimated width and associated depth. Mr. Tyler pointed out that the numbers on the side were the number of loads of material required to do that specific job.

Mr. Tyler stated that typically the Board looks to Jody to recommend the highest priorities on the entire Ranch. The worst sections of road generally get attended to first. However, almost every road on the Ranch is at least graded on an annual basis.

Jody's list included 1) Lower Forest Meadow from the intersection of Oil Well Road up to Junction Court. The road also needed road base. 2) Tollgate above paving. 3) Bull Moose. 4) Pine Meadow Drive. 5) Pine Loop. 6) Porcupine Loop north side. 7) Canyon Road. 8) The hills on Valley View. 9) Elk Road. 10) Forest Meadow (the turns above Junction Court).

Robert Rosing left the meeting.

Mr. Tyler asked if the Area Reps had other roads to add to Jody's list. He pointed out that the discussion should focus only on the roads that need aggregate because Jody would be grading most of the roads.

Other road work included in no particular order included: Forest Circle, the lower portion of Valley View Circle, Aspen Ridge, Hidden Circle, Forgotten Lane, Artist Pt, Willow Circle, Navajo Road from Yellow Moon to Running Deer, and Iroquois.

Mr. Tyler remarked that the \$35,000 budgeted for road work would not cover all the roads mentioned. The Tollgate Canyon asphalt seal and asphalt repair would have to come out of the Capital Reserve Account as discussed last year. He was not opposed to spending the money necessary to maintain the Ranch. He wanted to be prudent and spend the money wisely, but the main purpose of the HOA is to maintain the roads.

Mr. Heath stated that for years they have attempted to "just get by". He did not believe they were spending the money necessary to take care of business. They were trying to please the ones who complain, but there are many others who would like better roads and were willing to pay for it. Mr. Heath thought the Board has done an incredible job,

but every year they fall more behind. He encouraged the Board to raise the dues and to spend the money necessary to maintain the Ranch. Others agreed with Mr. Heath. Someone suggested increasing the dues by \$100.

Mr. Tyler appreciated Mr. Heath's comments, but he intended to keep the discussion this evening on prioritizing the roads. Mr. Tyler remarked that \$35,000 was budgeted for aggregate; \$12,000 was budgeted for mag water; and \$75,000 from the Capital Reserve. He suggested that they prioritize the projects based on this budget.

The first application of mag water is usually on Tollgate Canyon Road from the end of the asphalt to the pond. They have also done the steep hill on Forest Meadow. Mr. Tyler stated that they have also been ordering loads of mag water when they add new aggregate to steep sections of road to help it stabilize over time. It was an experiment that he believed had done well in terms of helping to maintain some of the material and have it last longer over time. Jody estimated needing four loads of mag water. He had not priced mag water this year but the cost is usually around \$3,000.

Mr. Tyler stated that mag water is most effective when there is good road base underneath. He suggested that they look at using some of the road base for the dirt section of Tollgate Canyon Road since they would be mag watering that section. He had the same suggestion for Lower Forest Meadow. Mr. Tyler assumed that \$16,000 would do Tollgate Canyon Road and Lower Forest Meadow; but it could go as high as \$20,000. Mr. Tyler noted that the costs projected were only to give the Board an idea of the actual cost of the scope of work. However, Jody has the experience to know when he has enough material for the road to hold up and sometimes the cost is higher.

Mr. Tyler suggested that Honey Parker list the top ten roads on the website, and indicate that other roads were also discussed, but not name them.

MOTION: Tony Tyler moved to authorize Jody Robinson to proceed with the Tollgate Canyon asphalt seal at \$48,000 and the Tollgate Canyon asphalt repair estimated at \$7,000 from the Capital Reserve Account; and authorize Jody to manage the \$12,000 of budget for mag water at his discretion; and \$55,000 of total approved aggregate purchases in the priority order identified by the Board this evening. Robert Walthall seconded the motion.

The motion passed unanimously.

Mr. Heath asked if the Board had the ability to authorize additional funds if Jody runs out of money before the work is completed. Mr. Tyler answered yes. However, if they are able to find a helper for Jody and can lease or purchase a roller, Mr. Tyler believed

it would be into September before Jody would spend the entire \$55,000. Jody agreed. He pointed out that he would also be cleaning out culverts, digging ditches and spraying weeds in addition to road work.

Mr. Tyler stated that if anyone knows of culverts that need to be replaced they should contact Jody. He clarified that it was not for driveway culverts. It was only for culverts that cross HOA roads. Jody would have the discretion to determine when and how the culverts are replaced based on his time management.

Mr. Tyler stated that if capacity is the real issue, he asked if it would make sense to hire a third company party to do some of the road work. He was primarily referring to drainage ditches. Mr. LeCheminant remarked that an off-site company would not know where the power lines are located. Mr. Tyler pointed out that the HOA does not own a backhoe, which is the proper equipment needed for the ditches. Mr. Heath suggested the possibility of looking at renting a backhoe. Mr. Smith understood that manpower was the issue. Ms. Parker thought they should first figure out the cost, and if they determine that the dues would have to be raised, they should be able to identify what the additional money would cover to convince the membership that the increase is necessary. Mr. Tyler explained his reasoning behind his suggestion to hire an outside company. He believed that hiring out some of the work was a way to leverage Jody's knowledge and expertise on the Mountain.

The meeting of the Pine Meadow Owners Association Board adjourned at 9:19 p.m.
