

Approved
December 15, 2016
As written

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
RANCH MANAGER'S OFFICE
PINE MEADOW RANCH
OCTOBER 18, 2016

In Attendance: Dan Heath – Vice President; Honey Parker, Secretary; Jeremy Jespersen (Area 2); Alan Powell (Area 3); Bruce Hutchinson (Area 5); Mike Gonzales, Area 6; Tom LeCheminant (Area 7).

Excused: Tony Tyler, President; Pat Kreis, Treasurer; Matt Brown, (Area 1); Tom Deaver (Area 4); Jody Robinson, Ranch Manager

Guests: Doug McAllister, Deer Meadows; Cheryl Groot, Lot E-70; Carolyn Strathearn, Lot F-50; Bill Bennelli, Lot E-85; Hutch Foster, Lot G-12, Mike Partheymuller, Lot D-69; Ryan Deitz, Lot PI-C-17; Roy Parker, Lot D-10; Jodi Taylor, Lot A2;

The meeting was called to order at 6:30 p.m.

Approval of Minutes

August 16, 2016

MOTION: Mike Gonzales moved to APPROVE the minutes of August 16, 2016 as written.

A vote was taken before the motion was seconded.

VOTE: The motion passed. There were two abstentions.

September 20, 2016

Honey Parker referred to the bottom of page 10 and her comment that she did not believe Pat Kreis was running for re-election as Treasurer. Ms. Parker preferred to remove the reason why Ms. Kreis was not running again because she did not think personal issues should be on public record. Ms. Parker pointed out that removing the reason would not change the facts. The Board agreed.

Mr. Heath asked that the reason why Ms. Kreis was not running for re-election be stricken from the Minutes.

MOTION: Bruce Hutchinson moved to APPROVE the minutes of September 20, 2016 as amended. Alan Powell seconded the motion.

VOTE: The motion passed. There was one abstention.

Owner/Visitor Forum

Michael Partheymuller, Lot D-69, stated that he was looking to build a full-time, year-round Yurt structure on the east property. He understood that the previous owner had a problem with his Yurt, and it was a temporary structure. He wanted to let the Board know his plans to make sure it was in line with HOA requirements. He presented photos of what he would like to build.

Mr. Heath explained that the Board could not approve a permanent Yurt. Mr. Gonzales pointed out that the picture was not an actual Yurt. Michael noted that it was over 400 square feet and it was wood sided round house. Mr. Heath conceded that it could be allowed. Michael stated that before he hires an engineer to work on the plans and he wanted to talk with the Board.

Mr. Powell stated that the concerns with the Yurt for the previous owner was that the fabric style Yurt is not part of the approved materials. There was nothing wrong with the shape or style. A second issue with the previous Yurt was the idea that it was temporary, even though it was left up year-round. He clarified that per the HOA rules and regulations, a temporary structure can only be up for 180 days per year.

Mr. Heath thought the roof looked shiny. Michael remarked that the roof would be a metal color. Mr. Hutchinson asked if the water and sewer improvements were already on the site. Michael replied that water, sewer, septic, and power were already in. He intended to go through the building permit process with Summit County. Mr. Gonzales suggested that Michael make sure that Summit County approves his plans before he brings them to the Board. Mr. Powell recommended that he refrain from using the term "Yurt", and instead call it a cabin.

Mr. LeCheminant had talked to Carol about the impact fees and he had already informed Michael about the fee. Mr. Heath assumed what Michael was proposing would meet the Guidelines; however, he asked that he keep the Board informed through the process, and that he obtain all of the necessary permits.

Doug McAllister stated that as part of the lengthy process, Deer Meadows agreed to make a \$5,000 contribution to the playground or some common area at Pine Meadow. He was contacted by Cheryl Groot with that suggestion and worked out the arrangement. Mr. McAllister understood that the playground had permanently been shelved at this point. However, it was written with Summit County that he would still contribute the \$5,000 to something that would benefit the community. Mr. McAllister suggested that Ms. Groot be involved in deciding what that benefit would be since she was the one who arranged for the contribution. Mr. McAllister asked if there was

something at Bobcat Springs that could be useful and beneficial to the area. He suggested the idea of putting a pavilion with picnic tables, or possibly a fire pit or barbeques for people to use. He had checked on a pavilion with Wasatch Timber and their cost was \$12,000 to \$13,000 installed. He thought that cost was high, but there may be other options to look for different pricing or to raise additional money.

Mr. McAllister and Ms. Groot wanted the Board to discuss potential ideas. He would leave a check for \$5,000 this evening. Mr. McAllister stated that they were very close to recording the plat and one of the stipulations he agreed to was to pay the \$5,000 contribution before the plat was recorded.

Ms. Groot stated that she recently spoke with a group of woman about this and their suggestion was to put a barrier at the bottom for the dumpsters. She thanked Mr. McAllister for following through with his contribution, because when the playground did not materialize he could have walked away from his agreement. She informed him that the money would be used wisely.

Ms. Parker thought the Board could come up with ideas and present it to the neighborhoods to see what people like. Mr. Gonzales pointed out that the Annual Meeting would be in November and that would be a good time to solicit ideas and get feedback.

Fire Issues

Mr. Heath understood that there were two illegal fires on the Ranch. Alan Powell stated that one fire was on Thursday night and one was on Saturday night. A fire Saturday night on the Dietz property, Lot PI-C-17, was a 911 call to Summit County as an illegal burn, a dangerous fire. Mr. Powell responded as North Summit Fire, along with Ken Smith. Rex Boyer was also there from Summit County, and the County also sent a deputy. Mr. Powell stated that upon arriving they observed a fire in a stone fire ring eight to ten feet outside the open door of a garage at 2251 Running Deer Circle, Lot PI-C-17. He noted that the fire was attended and the owner was sitting there, but it was not what Mr. Powell believed was an approved fire pit. It did not have a steel ring. Mr. Gonzales stated that if it did not have a steel ring it would not be approved. Mr. Powell noted that the location was also a problem because it was closer than the required 30' away from a structure with a 15' clearance all the way around. Mr. Powell emphasized that the fire pit would not have been approved in that location.

Mr. Powell stated that he observed the fire, took notes and photos, and brought it to the Board's attention as a non-compliant fire per the HOA Fire Regulations. Mr. Heath assumed the no-burn signs were up. Mr. Powell answered yes.

Mr. Dietz stated that he has been coming to the Ranch his whole life and he has never personally had a fire up there. He did not see the no-burn sign at the bottom. Mr. Dietz stated that they were doing construction on the garage and whoever was working on the garage made a fire pit out of large rocks. He was not planning on having a fire, and as soon as he saw the authorities coming he ran up the hill to meet them. Mr. Dietz wanted it clear that it was never his intention to violate the rules. He reiterated that his family had not built the fire pit. He also wanted it clear that he would never have a fire that he was not completely controlling and watching every second.

Ms. Deitz stated that since the fire they have noticed all of the no fire signs, and they were embarrassed that they had not noticed them before. She pointed out that they were talking on the way up and were not paying attention. Ms. Deitz explained that the reason for pleading their case to the Board was that a \$500 fine was monumental for them to pay.

Mr. Dietz wanted the Board to understand that he would never do anything to disrespect the Ranch. He asked the Board if the violation could be changed to a warning rather than a fine. He offered to volunteer his time to help with whatever work needed to be done on the Ranch to make up for their mistake if they would waive the fine. Mr. Dietz apologized to the Board for knowingly violating the rules.

Mr. Heath informed Mr. Dietz that they were not the first to plead their case, but the HOA has a zero tolerance for fire safety. Mr. Heath asked the Board for their opinion on Mr. Dietz's request for lenience.

Mr. Hutchinson pointed out that the Board has this same discussion at the last meeting and the decision was that there is too much at risk to allow any tolerance. Mr. Gonzales remarked that the Board has also talked about their obligation to be consistent.

Mr. Dietz pointed out that their family has owned property on the Ranch for 24 years and they have never violated the rules or caused any problems. This was a first offense and he asked if the Board thought there was a future risk if they waived his fine. He did not believe there would be.

Mr. Powell explained that nothing in the rules allows the Board to give a warning. He noted that a previous couple had the same situation where they were unable to pay their fine and they started a payment plan until it was paid off. That fine was \$1500 for an unattended fire. Mr. Powell was interested in the idea of exchanging the dollars for service. Mr. Heath noted that the Board has never been approached with that concept and he thought it was worth discussing. Mr. Gonzales agreed.

Mr. Dietz suggested that the Board decide what work needed to be done and how many hours were equitable for the fine.

Ms. Parker stated that Mr. Powell was working on the fire station and if he could use the Dietz's help it would be a good pairing. She thought Mr. Powell could determine what he believed would be an equitable amount of time. Tom LeCheminant agreed.

Mr. Heath stated that Mr. Powell would come up with some ideas and contact Mr. Dietz.

Mr. Powell provided an update on the fire station. The metal framing was finished today. They still needed to insulate and sheet it, do the wiring and put in the garage doors. He noted that the North Summit Fire District hired Cody to help during the week. They would work on it for the next three days and whatever is left to be done, Mr. Powell would do on a weekend.

Mr. Powell commented on the fire that occurred Thursday night. Coming back from fire training he observed a leaf fire in the driveway of the rental property above Boyce's. When he pulled in the gentleman was on the deck and he explained the fire policy to him. The man claimed that he was unaware that fires were prohibited. He and Alan put out the fire. Alan explained that he uses his own judgement and if a fire is not an imminent danger he does not call 911.

Mr. Gonzales pointed out that a leaf fire is an open fire. Mr. Alan agreed, but it was in the driveway and they were able to put it out. A \$500 fine was issued for having a fire outside of an HOA approved pit.

Mr. Heath asked if the Board needed to vote on imposing the fine. Mr. Gonzales did not think it was necessary because it is written in the policy. Ms. Parker and Mr. Heath thought it was better to have it in a formal motion and a vote in case it is ever questioned. Mr. Powell pointed out that he is not the one citing the offender. He collects the information and brings it to the Board. Mr. Powell preferred to have the Board vote and approve the fine.

MOTION: Alan Powell moved to APPROVE imposing a \$500 fine for each of the two non-compliant fires on Lot PI-C-17 and PI-67. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Alan asked Carol to mail a notice of non-compliance to the owner of 1877 West Tollgate Canyon Road, PI-67.

Mr. Jespersen liked the idea of giving people the ability to volunteer work hours to pay off the fine; however, he was concerned that it exposes the Board to more risk. There is a zero tolerance for fires and the Board does not have time for everyone who violates the fire policy to plead their case. They should set the precedent for zero tolerance. Otherwise, it encourages people to break the rules and make up for it with a volunteer day.

Mr. Gonzales pointed out that the Board was still imposing the \$500 fine, but they were giving people the option to work off the fine instead of writing a check. Mr. Jespersen stated that the Board has talked about liability as a Board and as a community, and he believed this would open them up to more liability.

Mr. Heath thought Mr. Jespersen made a good point. Mr. Gonzales stated that the Board would be reviewing and updating the policies in the near future and it would be a good topic to discuss at that time. They should probably seek legal advice in terms of the liability.

Hutch Foster, Lot G-12, suggested that the HOA be more consistent in how they post the signage based on the hazard level. He spent several hours the prior evening debating with some owners on social media about how the HOA manages the approved pits and no fires. Mr. Foster believed they were a little inconsistent because after September they should have pulled the no fire signs and moved to allowing fires in approved pits. He pointed out that it would not have affected the two fires discussed this evening because neither were in approved fire pits. He had switched the sign at the bottom because he has taken responsibility for that sign over the last ten years.

Mr. Powell noted that the new signs actually state "open fires". The thinking is that a fire in an approved pit is not an open fire. Mr. Foster thought that was sufficient.

Plow Route and List of Plowers

Ms. Parker reported that Carol has given her correspondence she received from Katarina. It explained what the HOA was responsible for and it listed the plowers who would be working on that side; but there was no graphic or map.

Mr. LeCheminant stated that Carol had suggested that if they remove the date on the plow route map it would alleviate the number of people who contact her asking about plow routes.

Mr. Heath thought they should look at what is being plowed and possibly update the

map. He suggested asking the plowers in those areas if it was accurate, and add a disclaimer stating that these were the plow routes provided by the individuals who do the plowing. Mr. Heath volunteered to speak with the person in charge of each area.

It was noted that last year they started plowing where Valley View and Arapaho connect at the top as a test. Mr. Heath thought they needed to get Jody's opinion on its success and whether or not they should plow it again this year.

Cabins built on HOA property

Mr. Powell had received a response from Ted Barnes and there is nothing that prevents the HOA from selling the property to the cabin owners at the appraised value, and adding survey and legal costs. The next step is to work out an agreement with the owners. Mr. Powell stated that one cabin owner told him to talk with the title insurance company because he purchased the cabin with title insurance. Mr. Heath remarked that talking to the title insurance company is the responsibility of the owner and not the HOA. Mr. Powell agreed.

Mr. Powell still needed to reach out to the other property owner. He was unsure whether the Board needed to send a certified agreement letter or if it was acceptable to just call the owner and discuss the price. Mr. Heath stated that years ago he had looked into doing this same thing for the Board, but nothing was done at that time. It came about because when the HOA did not exist, Summit County divided a lot and made it unbuildable. Mr. Heath had requested title work, which he never received, but he still wanted to talk with Summit County to make sure the HOA has the opportunity to get back their building right for the remnant lot. He asked if Mr. Powell had done a lot title search. Mr. Powell clarified that they were only losing a small portion of the lot, but not the entire lot. Mr. Heath thought it was important to find out if that would remain the case. If they sell that portion of the lot he wanted to make sure the HOA would be left with something of value.

Mr. Powell clarified that they were talking about two homes. One was the cabin built on property that the HOA owns in Morgan County. The second is the cabin that Bob Kimball built. He was told by Mr. Jensen that he could build higher up on the lot for a better view and Mr. Jensen would give him that land. Mr. Kimball built on the property but he was never given the land.

Mr. Heath stated that he would update the Board via email after he speaks with Summit County.

Mr. Gonzales stated for the record that on October 5th, there was a unanimous email

vote by the Board to approve the reduced tax assessment based on these property issues.

Mr. Powell commented on the land for the Fire Station. He had researched the CC&Rs, which states that in order to deed over land to a government entity, two-thirds of the people have to sign a document to approve deeding it over. However, there are no restrictions for leasing the land to a government entity. Mr. Powell spoke with North Summit Fire District Board the previous week, and they were comfortable with a lease. He noted that the next step would be to write up a 100-year lease, and the metal building would be the lease payment.

Mr. Powell identified the location of the three acres they were considering. The North Summit Fire District will survey that section and the lease would be written based on the survey. Once the lease is in place the Fire District will design the building and try to obtain grants to build it.

Budget Meeting

Ms. Parker stated that the Board needed to schedule a budget meeting prior to the Annual Meeting on November 15th. Mr. Heath pointed out that they would need to call a special meeting since this was the last Board meeting before November 15th.

One suggestion was to meet Tuesday, October 25th at the Ranch Manager's Office. Ms. Parker would send an email to all the Board members with that date to make sure they will have a quorum.

Map

Ms. Parker thought the map needed to be changed since Mr. McAllister had said that Deer Meadows was now part of Pine Meadow Ranch. She would need the Deer Meadows property map to identify their roads. Ms. Parker pointed out the changes she had made based on their comments at the last meeting.

Ms. Parker had contacted Sign-o-Rama, who she has worked with before to obtain a cost estimate for MDO wood, digital printing with clear lamination. The estimate was \$381.63. The estimate assumed that the Ranch would use the posts that were already in place. She would email the map to the Board members for final review.

Mr. LeCheminant thought the cost was consistent with what he has paid for 4 x 8 or 4 x 4 signs. Mr. Powell thought they should authorize Ms. Parker to move forward with the map. Mr. Heath offered to get a competitive quote from Schmidt Signs before moving

forward to make sure they get the best price.

There was some question as to whether Deer Meadows had actually been approved. It was noted that they had received approval but Mr. McAllister had indicated that it was not yet platted. Mr. Powell did not believe they should include Deer Meadows at this point. Ms. Parker stated that she could indicate Deer Meadows Ranch with an arrow like she did for Lewis Peak.

Miscellaneous

Outside Attorney Interviews

Someone asked if the Board had hired an outside attorney to review the CC&Rs. Mr. Gonzales stated that they had conducted two interviews but no one had been hired. He anticipated that discussion this evening, but it was not on the agenda. Mr. Heath thought it was important to have Matt Brown present since he was involved with contacting the attorneys and setting up the interviews. Ms. Parker asked if it could be part of the budget meeting. Mr. Gonzales replied that the budget meeting could be a closed meeting, but since they were hiring an attorney on behalf of the HOA, that discussion should be public.

Policies and Procedures

Mr. Gonzales had a copy of the Policies and Procedures that were revised in February of 2013. When they met with two attorneys familiar with HOAs, their opinion was that the documents were illegal and violated the Bylaws. Mr. Powell did not remember that specific opinion. He recalled that the attorneys had said they would review the documents line by line to see whether or not they were consistent with the Bylaws. Mr. Gonzales stated that one of the attorneys had said they could not do that because the language alone was contrary to the Bylaws and talked about overriding the Bylaws. The Policies and Procedures are not a legal document and they could not abide by it. Mr. Gonzales remarked that it was a null and void document and the Board needed to take action to make sure they had proper approval for Ranch employees. He stated that the Board could not take authority from the community by voting for this document.

Mr. Powell agreed, and that was the reason why they were hiring an attorney to fix it. Mr. Gonzales remarked that the hired attorney would be fixing the CC&Rs. He was talking about the Policies and Procedures document, because a lot of what they do as a Board violates the non-profit laws and community acts. Mr. Powell reiterated that they were hiring an attorney for that very reason. The intent is to go through the Bylaws and fix the areas that are a problem. Mr. Gonzales believed there were certain things they

already knew and they did not have to wait for an attorney to tell them that they were violating the Bylaws. The Board could make that change on its own.

Mr. Gonzales noted that voting by email was a violation, and they could be fined \$500 every time they vote against the prescribed method. They have been doing this for years and they have to stop. Mr. Gonzales was hoping to have Jody Robinson and Tony Tyler present for this discussion, but they could not continue to put this off.

Mr. Gonzales noted that all of the documents he was referring to were available on the HOA website. He presented another document that gives the HOA President sole supervision over the Ranch Manager and sole contact to the lawyer. Mr. Gonzales stated that it was not right and they could not do that.

Mr. Heath pointed out that the Internal Policies and Procedures document that Mr. Gonzales had was dated 1975. He was unsure what document it was but they needed to look into it. Someone noted that this document was not on the website. Mr. Gonzales suggested that the documents had been pulled after he mentioned it to Mr. Tyler. Ms. Parker clarified that she had not removed any documents. She stated that when she redid the website four years ago many of the documents were moved over, but she could not identify every document that was put on the website. Mr. Gonzales stated that the document was updated in 2013 which was within that four-year window. Ms. Parker stated that periodically she will receive an email from Carol informing her that a document has been put in the wrong place.

Mr. Powell stated that once they hire an attorney they would be able to figure it out. Mr. Gonzales pointed out that the primary goal for hiring an outside attorney was to go through the CC&Rs to make sure they have only one governing set of documents.

Mr. Hutchinson stated that even prior to Mr. Foster getting involved, Scott Boyle spent a lot of money to clean up this issue. This is not a new issue and they are still having the same problems.

Carolyn Strathearn, Lot F-50, stated that the people the Board represents want the CC&Rs redone because they are over 40 years old. She and others came to this meeting because they thought the Board would be choosing a lawyer to accomplish that. Mr. Foster commented on the number of hurdles involved in changing the CC&Rs. Mr. Powell understood that Ms. Strathearn was requesting that the Board make a decision this evening on which lawyer to retain. Mr. Bennelli stated that the issue is one of consistency and how to make sure that the governing documents dovetail and make sense. It will take time and he advocated for taking as much time as possible to get it right, rather than to expedite the process and still have problems. He believed the

Board was trying to move things forward and he trusted their judgement.

Ms. Strathearn stated that she has worked for three different HOAs that redid their CC&Rs. Most HOAs have a big meeting and all the members know that the CC&Rs will be revised every five years.

Ms. Parker asked the Board members who interviewed the lawyers whether anything made one stand out over the other. Mr. Powell had taken notes and he offered to share his thoughts with the Board. The first lawyer was Robert Rosing. He charges \$240 per hour. He represents Timberlakes and he also attends their monthly board meeting to advise them. Mr. Rosing stated that he would look at all the CC&Rs and look at what has been amended and restated. His first step would be to research all the documents at the courthouse and report back to the Board. Mr. Powell thought Mr. Rosing had good business sense in terms of how the HOAs are run. Mr. Gonzales noted that Mr. Rosing was also on the State Board for HOA law. Mr. Powell stated that Mr. Rosing talked about writing a questionnaire for the Board to fill out to help him under their questions and concerns, and the primary goal. He would also visit the Ranch and attend a Board meeting to assess what they need and what works. He also talked about assessments and making sure their assessments were correct. Mr. Powell stated that they also talked about the duty of care. For example, they may not be perfect by doing things through email, but they did what they considered their best.

Mr. Powell stated that Brian Cheney was the second lawyer. His first note was that he arrived ten minutes late. He bills at \$425 per hour but he uses associates to do a lot of the work at a less expensive rate. His expertise is real estate, hotel, condo, and residential for initial developers. Mr. Powell noted that Mr. Cheney generally represents HOAs in litigation matters. He talked about the importance of following processes, and he has done similar analyses in Las Vegas. Mr. Powell remarked that Mr. Cheney proposed hiring a title company to pull the titles for every property in the HOA and to make sure that the CC&Rs are recorded against every property. He would also hire a surveyor for more in-depth research into every property. Mr. Cheney believes it is easier to replace CC&Rs rather than amend them. He would recommend drafting a new set of CC&Rs and provide it to all HOA members for a vote. Mr. Powell remarked that in all cases two-thirds or 75% vote is required.

Mr. Foster pointed out that the Pine Meadow Ranch CC&Rs require three-quarters for a vote. Mr. Foster remarked that Ted Barnes always thought it was impossible. He appreciated the fact that the Board was trying to determine if it is possible, and he favored the idea of bringing in a new legal opinion.

Honey Parker asked Roy Parker if he had a preference between the two attorneys since

he was involved in choosing which attorneys to interview. Mr. Parker preferred Mr. Rosing because he is local and he has experience in what they were going through and what they wanted. He had also suggested that they just start over.

Ms. Strathearn stated that her impression from hearing Mr. Powell read his notes was that Mr. Rosing would be the best choice.

Ms. Parker asked if others who participated in the interview felt the same way. Mr. Heath noted that Mr. Rosing works for Wrona and DuBois law firm. If they are working for Pine Meadow Ranch and the HOA is sued by someone, they may approach that law firm because it is local; however, they would not be able to take the case. He thought that could be a benefit.

Mr. Gonzales pointed out that Tony Tyler had disclosed a working relationship with Brian Cheney, and he was unsure whether that would present a conflict of interest.

Mr. Powell remarked that his impression was that Mr. Rosing was a down to earth, local mountain lawyer and Mr. Cheney was a great real estate lawyer. Mr. Rosing would definitely be his choice. Mr. Jespersen thought they both had very different proficiencies and professional levels. He believed Mr. Cheney could adapt to what they need, but Mr. Rosing is definitely more experienced in aspect. Mr. Jespersen noted that Timberlakes has their own problems and he hoped Mr. Rosing had learned something from their experience. He thought Mr. Rosing was the better choice.

Ms. Parker thought it was important to get a fair idea of the cost. Mr. Hutchinson remarked that the law firm would not be able to estimate a cost until the Board identifies the full scope of work. Ms. Strathearn stated that they could sign a contract with the attorney that says not to exceed a certain amount.

Mr. Powell noted that Matt Brown was the only person at the interviews who was not present this evening to give his opinion. Another question was whether they had the budget now, or whether they needed to wait until next year. Mr. Gonzales suggested that they choose the attorney and then decide on the maximum amount to spend and whether it was in the budget.

Mr. Heath believed they were leaning towards Mr. Rosing. The Board had a quorum if they wanted to vote this evening, or they could wait until the next meeting. Roy Parker thought it was important for the entire Board to have that discussion.

Mr. Powell thought they should consider having the discussion at their budget meeting.
Rocks on Tollgate Canyon

Mr. Heath had received calls about rocks that were placed on Tollgate Canyon in a dangerous part of the road. He had driven by to see what they were talking about. He asked if any of the Board members had seen and had an opinion.

Mr. Foster noted that the rocks were on private property and the owner had not placed them for landscaping, but because he has a culvert and French drain, it protects his drainage from being destroyed when people drive off the road. Mr. Foster stated that the owner was willing to discuss the problem and he suggested that it should be Jody. The owner was also willing to place reflectors on the leading edges to alert people that there is a potential hazard.

Short-term Rentals

Mr. Foster noted that the short-term rental rule was removed from the Rules and Regulations five years ago, and he asked why it was still posted online. Mr. Gonzales understood that there was an amendment that prohibits short-term rentals. Mr. Foster explained that the prohibition was rescinded five years ago. Mr. Gonzales replied that it should have been in the CC&Rs and not in the Rules and Regulations. Mr. Foster pointed out that they could not amend the CC&Rs to include it. Mr. Gonzales stated that the CC&Rs could be amended, but no one has tried. Mr. Foster explained that 2010 was the only year the CC&Rs were amendable in recent history. They tried to put it together for 2010 but it did not happen. He remarked that the existing CC&Rs are not amendable in their current form until 2030. Mr. Foster stated that the question is whether they could dissolve the existing CC&Rs and rewrite it, which requires buy-in from the entire community. He personally thought it was a good goal and he hoped the Board could make it happen.

Mr. Gonzales was unwilling to call it impossible because they have never made an earnest effort to try to do it. Ms. Parker stated that she noticed it on the website but she did not believe it was her place to remove it. She assumed that when she redid the website it came over with the other files. Mr. Heath remarked that the document was not signed for a reason. It also says unanimous but he had voted against it. It was not a true document of what occurred.

Mr. Foster reiterated his earlier comment that it was a good idea for the Board to bring in a new attorney to review the CC&Rs to see what is or is not possible. Ted Barnes had the opinion that if they "opened the can they would never stuff the worms back in". Mr. Foster thought it was important to get another legal opinion. Mr. Heath and Ms. Parker agreed that they should at least try.

Ranch Manager's Report

Alan Powell noted that Jody Robinson was unable to attend this evening. He had Jody's notes and was prepared to give the Ranch Manager's Report.

Mr. Powell stated that all the equipment was in good condition with the exception of parts for the plow and a drive chain for the spreader. Jody needs to purchase a set of chains for the dump truck for winter. The chains wear out so he needs a new set each year.

Jody requested that the Board vote to reimburse the Water Company \$850 for the truck lift. It was installed earlier today. Mr. Powell clarified that the Water Company purchased the equipment and they were asking the HOA to reimburse half the cost. Mr. Gonzales stated that the Water Company and the HOA are separate entities and they could not co-mingle resources. They could share the equipment but they could not share the cost.

Jody requested authorization to purchase four tires for the dump truck in the Spring. Mr. Powell suggested that the Board approve the purchase now so Jody could buy them whenever he needs to.

The sand shed was filled and ready for the winter. Modoc Loop was covered. The wall will need four additional blocks. The blocks were reset so instead of being flat some come in at 90 degrees. Four blocks would cost approximately \$250 plus tax.

Mr. Gonzales asked about Modoc Loop. Ms. Parker recalled that it was on the project list from last year. Mr. Powell stated that Modoc Loop was an emergency repair. Mr. Gonzales questioned why some people are told they have to wait to have their roads fixed and others get their roads done right away. Mr. Gonzales stated that if the Board continues to make decisions through email, the State mandates that it must be unanimous agreement by every Board member. He recalled that the Board had talked about putting Modoc Loop on the list, but he wanted to know who had approved it.

Mr. Heath noted that the Board had discussed Modoc Loop two meetings ago. Mr. Powell stated that he would need to refer to the Minutes, but Modoc Loop has been talked about for a while. He has been trying to get it done for years, but this year it was too terrible to wait. Mr. Powell remarked that the Board had already approved purchasing the gravel. Mr. Gonzales stated that it was more than just adding gravel. The road was completely redone with road base. However, the project was never approved by the Board in advance; and when it was approved, it was not approved properly. Mr. Gonzales made the point that if they want to clean things up, the need to

start consistently following the rules now rather than later. They just keep putting it off.

Mr. Powell reported that Jody and Cody were still installing the signs as time permits, and it was the same thing with the culverts. A culvert needs to be replaced on the end of Elk Road, but since it is not a plowed section Jody would probably wait until Spring to replace it.

Mr. Powell outlined the purchases that Jody had requested for approval. He explained that the part for the plow was the bracket that the plow mounts to. The hole was worn out. The price was an approximate total of \$750. The drive chain for the spreader was approximately \$450.00. Jody had not provided a price for chains for the dump truck. Four tires for the dump truck would be approximately \$1200. Mr. Powell estimated a total cost for all the items stated, including the chains, to be \$3,000.

Mr. Hutchinson stated that every year Jody knows what his budget is and \$10,000 was budgeted for equipment repairs. He could not understand why the Board has to approve each separate item every time Jody needs something. If the money is there Jody should be able to get what he needs. Mr. Powell agreed. However, based on the way HOA is set up, the Board apparently has to approve each nut, bolt and screw. Mr. Gonzales stated that this procedure evolved based on the behavior of the prior Ranch Manager. The Board has to pay close attention to finances. Mr. Hutchinson believed that if the Board could give Jody some latitude it would save time at each meeting.

Mr. Powell pointed out that Jody had the plow torn apart over two weeks ago when he found the problem, but he had to wait for the Board to approve it before he could order the part.

Mr. Powell noted that the Board was asked to approve the \$850 reimbursement to the Water Company.

Mr. Hutchinson thought the reimbursement should be handled separately. He agreed that the HOA could not have ownership with the Water Company. Mr. Heath suggested that the Board could pass a proposal saying that the HOA could lease it from the Water Company for a period of ten years. He agreed with Mr. Gonzales that the two entities could not share costs.

MOTION: Alan Powell made a motion to APPROVE \$3,000 for chains, tires, a sander chain, plow parts. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

Mr. Powell stated that Jody also needed four blocks for the wall. Mr. Heath noted that the project was previously approved and he did not believe a motion was necessary.

Regarding the Water Company reimbursement, the suggestion was made to lease the lift for 20 years for a cost of \$850. Mr. Powell would work on a lease with the Water Company to draft a lease for the Board to review and approve at the Budget Meeting.

Mr. Powell stated that Jody needed a larger drill bit. Cody was in town but he did not have the company credit card with him so he used his personal credit card.

MOTION: Mr. Powell made a motion to reimburse Cody for the purchase of the drill bit in the amount of \$25.90. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Water Board Meeting

Jody Taylor reported that she attended the Water Board Meeting because of the Utah Broadband discussion. Two people from Utah Broadband spoke with the Board and they gave permission to mount their antennas on the water tank. Utah Broadband had ordered the equipment and construction on the two minor antennas would begin within the next few weeks. Ms. Taylor noted that Utah Broadband offered to pay the Water Company \$25 per month for the electricity, which was double the estimated usage cost of their other towers. She stated that the meeting was very friendly. The goal was to provide internet service to more people on the Ranch.

Mr. Powell understood that 16 homes that currently do not have internet are the ones who would actually see the antennas. Ms. Taylor stated that Utah Broadband plans to eventually find a site in Alexander Canyon to service more people.

Monthly Budget Review

Mr. Powell reviewed the unpaid bills detail.

Mr. Gonzales recalled that when Cody was hired the Board had voted on a budget. Cody has been working a lot and he asked if they needed to revisit the budget. In looking at the Profit and Loss, Mr. Hutchinson noted that they were over budget for Temporary Help at 107%.

The Board discussed the issue and the importance of Jody having help. Mr. Powell thought they have the funds to continue paying hired help, but they obviously misjudged

the budget. Running a grader and a roller all summer requires two operators. The same is true for winter. They need a second operator for the plow. Mr. Gonzales agreed that they need Cody's help. Currently they have exceeded the budget which technically means Cody must stop working, but that is not practical.

Mr. Powell noted that they have spent approximately \$1900 per month. To continue employing Cody for the remainder of the year would be approximately \$4,000. Mr. Gonzales thought they needed to determine how many hours they would need Cody for snow removal, because those hours would be different than running the grader or roller all summer.

Mr. Heath called Jody. He anticipated that the same work load would continue for the next two months and there was no reason to believe the monthly rate should change. Ms. Parker noted that they have a solid idea that the workload will be the same for the next two months, which would be an additional \$4,000. They also know that they collected \$8,000 in extra revenue. She asked if there was Board agreement to allow Cody to work to the end of the year since they have the money. Knowing that they went over budget on this line item, they could re-adjust the budget for next year.

Mr. Heath suggested that the Board vote to allocate funds to keep Cody working for the next two months because funds are available to pay for it; and they will budget more accurately for next year. Mr. Powell thought the Board should vote to continue paying Cody.

MOTION: Alan Powell moved to allocate \$4,000 to continue paying Cody until the end of the year, since they were already over-budget on his salary; and they would resolve the budget issue at the Budget Meeting on October 25th. Tom LeCheminant seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Alan Powell moved to APPROVE the unpaid bills as presented. Bruce Hutchinson seconded the motion.

VOTE: The motion passed unanimously.

The meeting of the Pine Meadow Owners Association Board adjourned at 8:55 p.m.

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