

PINE MEADOW RANCH OWNERS ASSOCIATION
SALT LAKE CITY, UT
JANUARY 13, 2009

In Attendance: Hutch Foster, Dan Heath, Bob Burdette, Suzanne Larsen, Scott Clausen, George Ramjoue, Jan Kanzler, Bruce Hutchinson, Duane Yamashiro, Amy Jackson,

Ex Officio: Jody Robinson

Guests: Joe Leach

Hutch Foster called the meeting to order at 6:40 p.m.

Mr. Foster welcomed Amy Jackson, the newest member elected to the Board.

Approval of Minutes

MOTION: Bob Burdette moved to ACCEPT the minutes of December 9, 2008 as written. Scott Clausen seconded the motion.

VOTE: The motion passed unanimously.

Mr. Foster suggested that the Board delay approving the minutes from the annual meeting to give everyone the opportunity to read through them. He had some corrections and preferred to wait until he had a hard copy to work from. He would have hard copies for all the Board members for the next meeting.

MOTION: Bob Burdette moved to SUSPEND approval of the minutes of the annual meeting until the next regularly scheduled Board meeting. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

ECC Plan Review

Mr. Foster reminded the area reps to continue to track projects in their areas, since several people are still deeply involved in building this winter. He encouraged the area reps to do a monthly or bi-weekly area visits.

Water Board Update

Dan Heath stated that the Water Board had not met. Suzanne Larsen wanted to know why the water fee was increased \$200. Mr. Heath replied that it was primarily due to the water project and the 500,000 gallon tank. He noted that the project came in under budget with the added 500,000 gallon tank.

George asked if the Water Board knew what the increase was going to be prior to the project. He was under the impression that the cost would remain the same and the funds would be spread out considerably in the payback. He was also surprised by the \$200 increase.

Mr. Heath stated that it was more than even he expected. The original Horrocks plan called for an increase that was scheduled but never occurred. The Water Company was funded on everything as they went along and now that the money is gone, they need to pay back what was spent. Mr. Heath believed the current rate would stay consistent for a long while.

Mr. Foster recalled a lengthy discussion about the rate increase at the Water Board's Annual meeting. He assumed those minutes were posted online and he expected to find detailed minutes with discussion and explanation regarding the process for the increase.

George was surprised that the Water Board had not announced the potential rate increase to be discussed at a future meeting. The increase was voted on by the Water Board and now they are hearing from concerned owners.

In response to a question on the percentage, Mr. Burdette believe the rate increased by 50%. Mr. Foster pointed out that the base quantity was also increased by 30%. Per calculation, the rate increase was not 50%.

Mr. Burdette wanted to know how the Water Company determines the amount. He had not exceeded his 11,000 gallons, but received a bill for \$628.48. Mr. Heath recalled that they bill in advance and then when the meters are read, it is for overage. He assumed Mr. Burdette was paying on the new amount. Mr. Burdette wanted to know why the new amount would not be \$650 or some other rounded number.

New Business

Mr. Foster believed they had a successful year in 2008 in terms of what they accomplished for the Ranch. He thought it was time for the Board to think about where they want to go from here and to plan 2009. Mr. Foster had prepared a list of topics to begin their discussion that he would present later in the meeting.

Representative reimbursement discussion

Mr. Foster noted that Bruce had recently asked about compensation for Board members. It would encourage more people to participate and there are out-of-pocket expenses. Mr. Foster pointed out that the CC&R's specifically prohibits compensation; but it does not address reimbursement for out-of-pocket costs such as travel and other expenses related to full

participation as a Board member. He was not opposed to discussing reimbursement.

Bruce clarified that he raised the issue of compensation because every other Board at least compensates for travel costs. Dan was interested in having this discussion. Amy recalled seeing an email about only meeting once a month and wondered how much travel that would involve. Mr. Foster explained that the typical pattern has been to meet twice a month; once in the valley and once closer to the Ranch. Because they are streamlining the process with a new recorder and Carol is providing more detailed minutes, Mr. Foster believed they could move quicker through the agenda. He would like to reduce the meetings to once a month. He noted that the Executive Committee is empowered in the bylaws to handle routine business. The Board members could allow the Executive Committee to pay bills and do other things between meetings that would not require the entire Board.

Bruce noted that the Environmental Control Committee has people attend each time and only meeting once a month could be a problem. He suggested that they think about having an individual go directly to the area rep for a pre-screening if they need something between meetings. Mr. Foster stated that the Board could also create and empower an ECC group outside of the eleven Board members.

Mr. Foster suggested that they continue the reimbursement discussion before discussing the number of meetings. The Board discussed the type of reimbursement and ways it could be paid. Mr. Foster preferred to use a standardized mileage amount. He thought that would be fair for those going from the Ranch to the valley to attend a meeting and visa versa. Mr. Foster asked if they would need to track actual miles for accounting purposes. Bob Burdette replied that a fixed amount would be sufficient. Mr. Foster suggested that they take the distance between Trailsides and a meeting place in the Valley and use that as the standard mileage. The Board members would submit for mileage reimbursement when they travel to attend the meeting; but not when the meeting is close.

George stated that he lives in Utah County and he preferred to track actual miles as opposed to using a standard amount. It was suggested that the Board determine whether there was consensus for reimbursement before they discuss the method for doing it. The Board concluded their discussion.

MOTION: Bruce Hutchinson made a motion to formally consider reimbursement in some form to the Board. Bob Burdette seconded the motion.

Mr. Foster amended the motion to clarify that it was reimbursement of fuel expenses to attend Board meetings. Mr. Foster pointed out that the motion was only for the concept of reimbursement. The Board should continue discussing a system for reimbursement.

VOTE: The motion passed unanimously.

The Board discussed the best way to determine mileage and handle the reimbursement. Bruce suggested that they submit for reimbursement every six months rather than monthly. Each individual would have to request the reimbursement and he or she would be responsible for keeping a log of the actual mileage. The reimbursement would be approved by the Executive Committee and submitted for payment. Suzanne stated that the meeting location would be at the Park Library until July. After that she will try to get the East Millcreek Library.

MOTION: Dan made a motion to use the Federal Standard Mileage Rate for reimbursement towards gasoline expenses to and from the meeting place for each Board member if they choose to turn it in.

Bruce amended the motion to state that a Board member could elect to donate their time and they are not obligated to submit for reimbursement. Each individual Board member would be responsible for submitting for reimbursement every six months. Dan Heath accepted that amendment to the motion.

Bob stated that in order to get the expenses recorded in the year they were actually incurred, he suggested submitting reimbursements at the last meeting in June and the last meeting in December.

Mr. Foster summarized the motion on the table. Board members would be eligible for travel reimbursement at the Federal Standard Mileage Rate for travel to and from Board meetings. In order to be reimbursed for travel expenses each member would keep track of their mileage and submit it when they are reminded by the Treasurer, Bob Burdette.

Scott Clausen seconded the motion.

VOTE: The motion passed unanimously.

Meeting Schedule and Meeting Locations

Mr. Foster noted that the library is not available for the second Tuesday of each month. By allowing the Executive Committee some leeway to take care of routine business and by streamlining the ECC process and creating an actual environmental control committee as outlined in the CC&R's, Mr. Foster thought they could reduce the meetings of the entire Board to one efficient meeting each month instead of two less efficient meetings. Since this is a slow time of year, one meeting should be sufficient and the Board can determine in the Spring whether or not it

is practical to continue with one.

The Board members generally favored meeting once a month and discussed options for times when the Board would need to communicate between meetings. Mr. Foster preferred to meet on the fourth Tuesday and that the meetings would alternate between Trailside and a location in the valley.

MOTION: Scott Clausen made a motion that the Board meet once a month on the fourth Tuesday and that the even number months would be at Trailside and the odd number months would be a location in the valley to be determined. The Board also recognized that in the Spring time they may find that there is a burden of work that requires meeting twice a month. Bruce Hutchinson seconded the motion.

VOTE: The motion passed unanimously.

Ranch Projects List

Mr. Foster asked the Board members to submit a list of goals and projects for the Board to discuss and consider for 2009. He provided a list of his own ideas as a starting point. Suzanne referred to some of the projects on the list and suggested forming committees to handle specific projects.

Mr. Clausen asked Mr. Foster to clarify Item 1, traffic flow. Mr. Foster stated that last year the Board discussed the idea that the downhill traffic from the Forest Meadows side would stay to the uphill side. The uphill traffic to Forest Meadow would take the Y up the hill, eliminating two way traffic on the steep stretch that merges blindly with Tollgate Canyon. Mr. Foster recalled that the idea was popular when it was discussed, but no one moved forward to study the feasibility or the logistics of doing it. Bob stated that after their discussion, he started driving it that way because it made safety sense. If everyone is informed, they also might decide that it makes sense. He wondered if signage was enough to let people know. Dan thought they were going to discuss grading that area, particularly if they have SSD money. He agreed with Bob that it is definitely safer, but it is out of the question for a trailer. Also, if you cut it too short there is a five foot drop. Dan suggested that if the road was engineered a little differently, people would use it.

Newsletters

Mr. Foster explained how the Board members could sign up to receive the newsletter electronically for those who had not already done so. He planned to do a newsletter fairly soon and asked the Board to submit any topics they would like to see addressed. Mr. Foster would include the new meeting schedule and their plan to reimburse travel costs. He noted that currently

150 people have signed up to receive the newsletter electronically.

It was suggested that they use the newsletter to remind snow plowers to push the snow back beyond the drainage ditches in the Spring. Mr. Foster agreed. He would also remind everyone that if they plow a road that is not completely plowed, it needs to be accessible to Cats and Snowmobiles but have a steep enough climb to discourage cars.

Mr. Clausen suggested including maps. Mr. Foster pointed out that maps are on the website and he explained how they could be accessed.

Mr. Foster commented on updating the email list. He noted that Duane has not received emails for the past year and Jody and Carol frequently do not receive emails. Seven people on the list are either former Board members or random property owners. To avoid confusion, Mr. Foster suggested that they abandon the Yahoo groups list. He encouraged each Board member to create their own list within their own email program. He recommended that they keep two lists. One would be strictly Board members for when they have matters that need to be discussed among the eleven members. A second list would be the HOA Board plus Jody and Carol.

Manager's Report

Equipment Maintenance

Mr. Foster recalled that they had previously talked about solenoid repairs. Jody stated that the solenoid repairs are not important right now and could wait. Regarding equipment status, Jody stated that all the equipment is fine and running well. Suzanne commented on how nice everything looks and she encouraged Jody to keep up the good work. Jody stated that there was little to no activity regarding projects.

Mr. Foster noted that Jody had been asking for a small budget to finish the drywall, paint and lighting in the workshop. Jody estimated approximately \$200 to finish the shop. Mr. Foster thought they may need to wait until the 2009 revenue stream.

Bob stated that the budget could handle \$200 if Jody had down time to finish the shop now. They could even increase the amount to \$300.

MOTION: Dan Heath made a motion to authorize Jody \$300 on his Home Depot card for finishing the shop. The motion was seconded.

VOTE: The motion passed unanimously.

Budget Review and Bills

Bob reported that they had bills to pay in the amount of \$7,550. He reviewed the balance sheet and noted that as of 1/13/09 there was \$4,000 in the account. From that \$4,000 he proposed to pay \$7500 in bills. Bob stated that the HOA had two other bank accounts with \$61,000 and \$48,000 respectively. The restricted account had impact fees they collected. He expected to start using that money this summer. Bob explained that \$23,000 of that money may have to be refunded back to the lot owners. The remaining \$40,000 is available to spend. He believed the ratio of bills to the account balance demonstrated the need for a financial cushion.

Bob reviewed the unpaid bills.

MOTION: Bob made a motion to pay all the bills presented totaling \$7,550. Scott Clausen seconded the motion.

VOTE: The motion passed unanimously.

Bob noted that the 2009 budget includes \$30,000 to purchase equipment. The next most valuable piece of equipment would be a dump truck. They could put a sander on the truck and use it to do their own sanding. He believed they could save a significant portion of the money they pay to Geary Construction by having their own truck. Bob commented on additional uses for the dump truck that would save money. He has asked Jody to start looking for a piece of equipment and to find the best bargain for their money. Bob noted that there would be some trade-offs and cut backs. If they spend \$30,000 on a truck they cannot spend that same amount on road base. However, if they have a truck they can pick up the road base and dump it themselves and that would result in cost savings.

Bruce wondered if \$30,000 would be enough to purchase the truck and add a sand spreader. The question is whether the truck would be big enough to add a tank to haul water. Mr. Foster felt it was important for everyone to understand that the truck they are talking about buying is not comparable to the truck that Geary brings up with road base. It would require several trips to bring road base to the Ranch. However, sand needs to be stored in the winter and in order to have a truck that is usable for sanding, it needs to fit in the garage.

The Board discussed the use of the truck and whether it was more beneficial to purchase a medium truck versus a smaller truck. Mr. Foster thought it was worth pricing both sizes. Dan suggested that they also look at the price for a new one. The length of time it would take to pay off the truck would depend on how many little projects they want to do. The Board felt that five years or less was a reasonable time frame.

In response to a question as to whether homeowners do their own culverts, Bob explained that in order to make sure the culverts are adequately installed, the homeowners buy the pipe and the HOA installs it.

In terms of purchasing the dump truck, Bob stated that they would start to see money coming in within the next two weeks. Before she sends the bills, Carol is waiting for the Board to make a decision on how much money should they bill the non-residents of the Ranch and how much they should bill the LDS Church for their properties.

Mr. Foster stated that the church buildings have already been decided and he forward that letter to Carol. Bob noted that those outside the ranch have been billed at the same rate as the lot owners within the Ranch. There is no legal recourse to force those people to pay, but they still receive a bill. Scott wanted to know why they did not proceed with billing the Ranch owners instead of waiting on a decision for those outside the Ranch. Bob remarked on the scenario of the SSD. If the SSD was approved, the people who send a \$200 contribution towards road maintenance would then get another invoice from the SSD for \$200. Mr. Foster pointed out that whatever the process at this point, nothing would be happening with the SSD until 2010. He did not think that should be a concern. Mr. Foster would rather refund the road money than wait for six months on the SSD.

Bob stated that they should tell Carol to bill all lots without structures \$200, all lots with part-time structures \$250 and all lots with full-time use properties \$350. Dan suggested that they soften the language and he offered to help do the re-write. Bob instructed Carol to send Dan a copy so he could re-write it.

Summarized that the issue regarding the Church properties has been resolved and if Carol had not received that letter he would send her another copy. On the second decision about how they should bill or request funding from lots outside the Ranch within the Canyon, the letter will go through Dan so he can review the language, and then they should move forward as planned. Bob believed the invoices could be sent by January 20th.

Area Representative Discussion

The Board discussed letters of non-compliance referring to Brian's rentals and Mr. Foster felt a good point had been made about sending those letters certified mail with return receipts so they can know who signed for it. If anyone on the Board sends a letter of non-compliance it should be specifically for that lot owner, in duplicate and a copy should go to Carol. If they ever take legal action they need a paper trail.

Bruce asked if he should charge \$350 for what the Board believes are the infractions. Mr. Foster

stated that he should send a letter for what they are witnessing at that time. Suzanne suggested that they start in the month of January. Mr. Foster asked if they should send letters to both David and Brian, Lots PI-E-34 and PI-E-35. It appears that the properties have been rented independently and they need to make sure they are sending a specific letter.

After further discussion, it was noted that Brian had signed an agreement. The question was how they could enforce that agreement. Bob explained that the intent of the letter was to establish a pattern of non-compliance with the Rules and Regulations of the Ranch. When they have been adequately notified of the non-compliance, that will give the Board the legal basis where upon they can assess fines. Amy believed that Brian would continue to rent the property without compliance until he is forced to do otherwise. Mr. Foster noted that the Board has no history of officially telling Brian that he cannot rent nightly. He wanted documented notification before taking any type of legal action. It was noted that they have his signature on the agreement for one cabin. He stated that the intent is for Brian to comply with the rules and regulations and felt they should start the process of notification of non-compliance in 2009.

Assignments for next regular meeting.

Mr. Foster stated that he would put a newsletter together the next weekend and he encouraged the Board members to email him topics that they would like included.

Mr. Foster requested that each Board member compile a list of things they would like the Board to address in 2009 and bring that list to the next meeting for discussion that could include Ranch projects, equipment, policies, reevaluation of impact fees structures, guidelines for construction and design, and any other matters.

Mr. Foster asked everyone to continue to help George stay aware of what is going on Arapahoe.

The next meeting would be the fourth Tuesday of February in Park City.

Until the next meeting, Jody would continue to research the purchase of another vehicle.

The meeting of the Pine Meadow Ranch Owners Association adjourned at 8:32 p.m.
