

Approved
August 20, 2013, as
corrected

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
RANCH MANAGER'S OFFICE
PMROA WINTER PARKING LOT
ARAPAHO DRIVE
JULY 16, 2013

In Attendance: Tony Tyler, President; Dan Heath, Vice-President; Bob Burdette, Treasurer; Honey Parker, Secretary; Matt Brown (Area 1); Tom Deaver (Area 4); Mike Gonzales (Area 6), Alan Powell (Area 3); Nick Boyle (Area 7)

Ex-Officio – Jody Robinson, Ranch Manager; Carol Steedman, Administrative Secretary; Kelli Wilson

Excused: Jeff Hubbard (Area 2); Mark Hodgson (Area 5)

Guests: Brody Blonquist & Trevor Townsend, Water Company Water System Managers, Bill Binelli, E-85; Cheryl & Bill Groot; E-70; Ken Smith, A-59; Pat & Ken Jones, G-23; Shane Dual, Deer Loop; Craig Gilliam, D-41; Sara & Steve Rothstein, D-18; Glen Moosman I-1&2; Hutch Foster, G-12; Robert Bethke D-69; Nick Blake PI-20.

Tony Tyler called the meeting to order at 6:31 p.m.

Approval of Minutes

June 18, 2013

Tony Tyler referred to page 7 of the minutes, second to last paragraph, the sentence "Mr. Tyler answered yes." He did not recall answering yes. He clarified that the Water Company was working on signing over the easements through the Tollgate Road Company. Mr. Tyler was not aware that all the easements had been signed.

Mr. Tyler referred to page 13, fifth paragraph, last sentence regarding the yurt, "Mr. Bethke would have until the next meeting when his 180 days expires." Mr. Tyler corrected expires to "...when his 180 days **begins.**"

Mr. Tyler referred to page 16 and wanted the minutes to reflect that Matt Brown volunteered to take on the responsibility of coming up with the sign counts. Mr. Tyler referred to the last paragraph under the Long Term Planning Discussion, and revised the sentence to read, "Estimated cost of the grader is approximately \$150,000 **for a decent used machine.**" He wanted it clear that it was not the estimated cost of a new machine.

MOTION: Honey Parker moved to APPROVE the minutes of June 18, 2013 as corrected. Matt Brown seconded the motion.

VOTE: The motion passed unanimously.

Owner/Visitor Open Forum and Other Owner Communications

Presentation by North Summit Fire District

Ken Smith reported that in February the County Attorney informed the Fire District that they could not provide the same services to areas that do not pay taxes as they provide to areas that do pay taxes. He noted that North Summit Fire District does not collect any tax from Tollgate Canyon, even though they have been the primary emergency response for the area for nearly 20 years.

Mr. Smith explained that currently they pay a small tax into the Wild Land Protection Zone, but that only pays for Wild Land only. It does not pay for structure responses or equipment for structure responses. The North Summit Fire District has been providing those services without funding.

Mr. Smith remarked that there were two options. The preferred option would be for everyone to support annexing the Ranch into North Summit Fire District. That option would give the needed tax revenues to build a fire station and have the needed volunteers. The Canyon would have a station, equipment and its own people as staff just like Hennefer, Wanship and Coalville. The response time to any fire incident would be reduced from 30 minutes to ten or fifteen minutes. The taxes would significantly increase if they annex into the fire district. Rather than the current tax rate of .000127, the North Summit tax rate would be .000578. However, the Wild Land Protection tax would be eliminated, which would offset some of the increase. Taxes for the average cabin owner would be approximately \$100 per year, but the service would be infinitely better.

Mr. Smith stated that the second option would be to do nothing. According to the County Attorney, the North Summit Fire District would have the option of fee for service, which means that someone would be billed when they have to respond. No one in Summit County has had experience with fee for service and it is unknown how that would be structured.

Mr. Smith estimated a \$600-\$800 base rate for starting a fire engine and approximately \$240 per hour to run it. A response from Wanship to Tollgate would cost between \$800-\$1200. The costs for fighting a Wild Land Fire would be covered by the State because they were in the Wild Land Protection Zone. All other calls would be billed as a service. He explained the negatives involved with a fee for service option and that

administrative cost and overhead would drive up the cost of service. He noted that everyone in Summit County pays into a Fire District. With the trend in growth, he believed that annexation was the easiest solution. Mr. Smith clarified that annexation would include all the properties in Tollgate Canyon and not just Pine Meadow/Forest Meadow Ranch.

A homeowner noted that for years it has been difficult to get homeowners insurance because the Ranch has been Wild Land. He asked if annexing into the Fire District would improve the insurance situation. Mr. Smith replied that if they had a fire station staffed with volunteers, the ISO rating would be similar to the ratings in Wanship and Coalville, which could potentially lower insurance rates. It is based on distance from the fire station and the water system. The improved water system is a huge benefit in terms of fire protection. Mr. Smith noted that if the Fire District imposes a fee for service, it would negatively impact the ability to get homeowners insurance.

Mr. Deaver asked if revenue to build the fire station would come from the property owners. Mr. Smith had done a financial analysis and the tax revenue that would be generated would be enough to build and equip a fire station and to train the volunteers. It would not put a negative impact on the rest of the taxpayers in the Fire District.

Mr. Smith outlined the process for the annexation and how it works. One option for annexation would be by petition; which requires 30% of the landowners in the affected area to sign a petition to request to be annexed. A second option would be for the County Council to annex by resolution. The County Council was prepared to do it by resolution if there is not significant opposition. Ken felt it was important for everyone to understand that if annexation is opposed, the result would be fee for service because the status quo cannot continue. They can expect a change regardless of the outcome.

Someone asked if there was a deadline. Mr. Smith did not think the County Attorney would set a deadline if there was evidence that the Fire District and the homeowners were working towards a resolution. Mr. Smith stated that he has attended County Council meetings because he has an interest as both an owner in Pine Meadow and a volunteer with the Fire District. He pointed out that another benefit of annexation is that the Owners Association could have a representative sit on the Administrative Control Board of the Fire District.

Mr. Smith was asked about fire services in the winter. He explained that the Fire District would put a small four-wheel drive vehicle on the Ranch for quick rescue and it would go anywhere that is drivable. From a medical rescue standpoint, he assumed they would have snowmobiles or ATVs that would reach anywhere on the Ranch in any season. Regarding fire protection on private roads, the individual owners living on

those roads would be responsible for keeping their road accessible for fire response.

Mr. Tyler stated that from a practical standpoint it would be nearly impossible to get 30% of the landowners to respond to a petition, and he assumed annexation would occur through County Council resolution. He asked if it was possible to tie the annexation to an obligation to construct a fire station within a certain time period. He thought the fire station was a key piece to the proposal. Mr. Smith offered to take his question to the Administrative Control Board of the Fire District. He noted that the Fire District was fundamentally looking at that already and he did believe that commitment would be an issue.

Mr. Smith stated that if the County Council does it by resolution, they are required to do public noticing and give the citizens a specific time period to voice their objections. If 30% of the landowners in the affected area object, the resolution is automatically dead. The Council was looking for direction from the Homeowners or the Board as representatives of the homeowners, to provide the Council with an idea of whether or not there is support for an annexation.

Mr. Tyler stated that the intent of this evening was to have an informative session to let everyone know the situation. Once the Board has a proposal to look at, they could vote to support, oppose or remain neutral on that specific proposal. It would be up to the Fire District to submit a proposal to the Board for consideration. Mr. Tyler remarked that Board action would not limit the Homeowners from attending public hearings on their own behalf as an individual property owner.

Mr. Deaver noted that in the past the Fire Marshall has demanded that there be 5,000-7,000 gallon water tanks with ethylene glycol protected automatic sprinklers in many of the homes. He asked if that requirement would still stand. Mr. Tyler replied that the requirement was a Summit County Code issue and not a Fire District issue. Therefore, the requirement would still stand for any structure, with few exceptions.

Mr. Tyler assumed that the annexation included every property that is accessed via Tollgate Canyon Road, from Tollgate Canyon, Forest Meadows and all the way to Lewis Peak. Mr. Jones stated that if they do the annexation, it would include everything that is currently not in the Fire District.

A question was asked about staffing needs for a fire station. Mr. Smith stated that he would look for a minimum of 12. He noted that people who volunteer either love it or hate it so the numbers are always changing. He already has interested volunteers if they annex into the Fire District.

Mr. Smith stated that he would take their questions to the Fire District for answers, and he would contact the County Attorney to find out the next step and which entity should initiate the annexation agreement. He would contact Mr. Tyler when he has the information.

Driveway across PMROA property

Glen Moosman was present to discuss a potential driveway across PMROA property. His lots are I-1 and I-2. Mr. Moosman stated that he has owned Lot I-2 for nearly 20 years and he had not planned to eventually end up with Lot I-1. He oriented the Board to the location of his property and Oak Road. The larger road on the bottom was Pine Meadow.

He explained that years ago before Mr. Bowen built his cabin he encountered issues with the water underneath him. Mr. Moosman allowed Mr. Bowen to access his property through his lot to avoid serious conflicts. To accommodate Mr. Bowen, Mr. Moosman changed the location of his road to access his own lot. Mr. Moosman stated that last year he made an agreement to purchase Lot I-1. However, his son has been living on Lot I-1 for a few months and was purchasing the lot from Mr. Moosman. However, the lot was still in his name because his son was purchasing it directly from him.

Mr. Moosman stated that in looking at the situation he determined that there is a very steep hill and Mr. Bowen would have had a difficult time accessing the property. He contacted Summit County and they told him that if he could get a right-of-way from Pine Meadow Ranch it would be possible to put in a road like Mr. Bowen had wanted to do. Mr. Moosman remarked that having a right-of-way opens the door for financing, which cannot be obtained otherwise. It would do no harm to the Owners Association because it was only a 45' strip of land. Mr. Moosman suggested that the homeowner on the eastside may be slightly impacted because it would cross the corner of his property. He was willing to approach that homeowner if the Board chose to approve his request.

Mr. Tyler clarified that Mr. Moosman was proposing to come off of the driveway that services Lot D-42, and then come up the 45' stretch. Mr. Moosman clarified that he was proposing to come off of Pine Meadow and not Oak, so Lot D42 would not be affected. Mr. Moosman stated that if necessary he could also approach the owner on the corner, but he preferred not to if possible due to the negative history between that owner and Mr. Bowen.

Mr. Tyler thought it appeared that in addition to the 45' strip on Ranch property, Mr. Moosman would also need permission from Lot SS-142-E2-B. Mr. Moosman

understood that he would need to approach the lot owner, but there would be no reason to if the Board denied his request. Therefore, he needed a Board decision before taking any other steps. Mr. Tyler asked Mr. Moosman how wide his driveway would have to be to cross that section of Ranch property. Mr. Moosman thought he could find a way across if it was 30' wide or possibly less.

Mr. Burdette pointed out that many times people need to cross land owned by other people to get to their own property and easements have been sold by landowners to give others the right to cross the land.

Mr. Tyler asked if Mr. Moosman would be willing to pay for an easement to cross that section of land. Mr. Moosman stated that he was willing to pay a little. The main issue was that he wanted the easement because it opens up the possibility for financing in the future. He noted that his son was not interested in putting in the driveway right now, but if he changed his mind he would need to have the financing.

Mr. Tyler did not believe the Board had enough information to vote this evening, but he asked for their comments or a straw poll. Mr. Deaver was not opposed to allowing Mr. Moosman the easement. Mr. Gonzales thought it was a good idea as a way to access the property, but he was unsure whether they should attach a fee. Mr. Tyler stated that it is typical for easements to have associated costs because it obligates the land to a purpose other than what was originally intended. He felt the Board could discuss the cost aspect at a later time.

Mr. Brown asked if Mr. Moosman was requesting the easement because the area below the house was too steep for a driveway. Mr. Moosman replied that it also has to do with plowing because the driveway needs to be plowed. Mr. Brown respected the right for Mr. Moosman to have an easement to his property. Mr. Boyle concurred. Ms. Parker needed to look at it further, but she generally agreed with the other Board members. Mr. Powell concurred with the rest of the Board. Mr. Burdette stated that it was a piece of property owned by the Owners Association and he would be comfortable selling an easement on that property the same way easements have been purchased in the past. Mr. Tyler stated that he would also be comfortable allowing Mr. Moosman the easement. Mr. Heath was not opposed to the easement, but he wanted to see exactly where Mr. Moosman wanted the easement and how it would impact other lots.

Mr. Tyler summarized that based on an initial straw poll the Board was supportive; however, they would need to understand the details before making a final decision. He stated that if Mr. Moosman wanted to talk to the other landowner, the Board was amenable to discussing it further.

PI-D-69 Yurt discussion

Mr. Tyler stated that Mr. Bethke had erected a Yurt on his lot that was not in compliance with the rules and regulations regarding temporary use. The Board has discussed the issue at length, particularly the definition of Temporary Use on the land and how that translates into an acceptable or unacceptable structure on the Ranch. At the last meeting the Board voted on the language for Temporary Use. Mr. Deaver clarified that the Board had talked about temporary structures, but they had not discussed temporary use. There is a big difference between a temporary structure and a temporary use and he wanted it clear. Mr. Tyler agreed and thanked Mr. Deaver for the clarification.

Mr. Tyler stated that the Board had defined temporary structure, which aligned with the previous definition of temporary use, but it is more specific based on the issue at hand.

Mr. Tyler read the approved definition, “Any structure or vehicle including, but not limited, to a trailer, tent, teepee or yurt that is erected or remains on a lot for more than 180 cumulative days per calendar year shall be considered a permanent structure requiring approval by the PMRHOA. In the even any structure, vehicle, or similar improvement becomes an eyesore or appears to be abandoned, the PMRHOA reserves the right in its sole discretion to require removal from the property or another remedy acceptable to the Board.”

Mr. Tyler stated that based on the definition, as of today, which is the date the Board agreed to revisit the issue from the April meeting, they were going to handle everything between that time and now, and have a decision ready for Mr. Bethke. Mr. Tyler explained that the Board made the decision that the definition of temporary, applies in Mr. Bethke’s situation. The Yurt cannot be on the Mountain for more than 180 cumulative days per calendar year, just like any other temporary structure on the Mountain. Mr. Tyler remarked that if the structure remains on the property for more than 180 cumulative calendar days per year it is viewed as a permanent structure and, therefore, it would need to be approved by the HOA and it must meet the Architectural Guidelines.

Mr. Tyler outlined options for Mr. Bethke. He could bring to the Board an official application for the Yurt to be a permanent structure. Even though the Yurt does not meet the Architectural Guidelines for the Mountain, an argument could be made that it is a mountain vernacular structure and could be permitted on a permanent basis. The second option is that Mr. Bethke could enjoy the Yurt for 180 days every year and then take it down, as required by the Board’s interpretation of the Architectural Guidelines for temporary structures.

Mr. Bethke asked if the Board had discussed the possibility of creating a new category to allow the Yurt. Mr. Tyler replied that the Board determined that there were definitions for a temporary structure and a permanent structure and it would be too complicated to create a third quasi-permanent structure for any period of time. The Board wanted it clear from the definitions that there is a definite and distinct difference between a temporary structure and a permanent structure. Mr. Bethke asked Mr. Tyler to email him details of the Board decision and his options. Mr. Tyler stated that he would work with Nick Boyle, the area rep, and send Mr. Bethke a written document.

Someone asked if building permits were included in the Board's discussion. Mr. Tyler replied that it is not the purview of the Homeowners Association to enforce Summit County law. Therefore, the Board does not address building permits. Mr. Bethke thanked the Board for being fair in considering his situation.

Mr. Deaver assumed the 180 days would not start until the Board sent Mr. Bethke a certified letter. Mr. Tyler explained that the Board would not have to send a certified letter because the motion that was approved at a previous meeting included a determinant date. Unless Mr. Bethke chooses to violate the terms of that particular condition, the Board would not send a non-compliance letter or any other type of certified letter. Mr. Deaver clarified that he was not asking about a non-compliance letter. He understood that Mr. Bethke had asked for an email or some other documentation of the Board's decision. Mr. Bethke explained that his request was simply to trigger his memory to follow through on whatever option he chooses. Mr. Deaver thought the 180 days should start when Mr. Tyler or Mr. Boyle sends the written document. He felt that starting before that time would be unfair to Mr. Bethke. Mr. Burdette pointed out that Mr. Deaver's suggestion was recorded in the minutes. Mr. Bethke stated for the record that he clearly understood the clarification.

Bob Kendall

Mr. Tyler asked Mr. Powell for an update regarding *Bob Kendall*, PI-18 and SS-143-A, and the survey on the home that was built on the wrong lot. Mr. Powell stated that he had spoken with Mr. *Kendall* and the next step would be for Mr. *Kendall* or the HOA to pay to have the land surveyed. The Board would then need to determine that the house is on HOA property and decide whether or not to honor the verbal agreement given to Mr. *Kendall* in the 1970's when he was told that he would be given the land, which never occurred; or find a way to sell him the land.

Mr. Tyler understood that Mr. *Kendall* was in the process of having the property surveyed. Mr. Powell clarified that it was his neighbor's property that was being

surveyed, which raised the issue that Mr. *Kendall's* house is on HOA property. Mr. Powell remarked that when Mr. *Kendall* built a cabin in the mid-1970's it was built on the understanding that the lot would be given to him.

Mr. Tyler thought the Board needed to determine whether it was in the best interest of the Owners Association to have the lot surveyed and inform him of the fact that his property officially sits on Association land, or whether it would be his responsibility to confirm. Mr. Tyler offered to research the situation and bring it back for discussion at the next meeting.

Mr. Powell stated that he had his lot surveyed by the company that surveyed the lot across the street. The same company basically surveyed the whole area and they offered to do the survey at a lesser cost. Mr. Tyler asked Mr. Powell to obtain a cost estimate from that company prior to the next meeting.

Lot FM-B-29-1

Mr. Tyler reported on an email he received from Pam Davis regarding the Board determination at the last meeting related to back HOA assessments and fees that were due. Ms. Davis had spoken with Revenue Recovery and she understand the charges that were levied and why. She has paid the full amount, including the Revenue Recovery fee, and she was now in compliance with the Homeowners Association.

New Construction/Additions

Lot PI-D-41 Garage

Mr. Tyler assumed the Board members had seen the emailed copy of the garage plans for a garage at Lot PI-D-41. The lot owner, Craig Gilliam had submitted the signed Improvement Plan and Agreement. He also provided a materials list. The roof would be forest green asphalt shingles to match the house. The siding material would be rough-sawn pine, cappuccino color stain, which is also the same as the house.

Mr. Tyler stated that the Board had a complete building and site plan for review. The plans, materials and colors meet the Architectural Guidelines. It is a 24' x 24' structure with utilities. The impact fee is \$2.00 per square foot at 576 square feet. The total impact fee was \$1,152.00.

MOTION: Tom Deaver moved to APPROVE the garage plans for Lot PI-D-41. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Lot 20- Garage.

Nick Blake, Lot 20 in Plat-A, had submitted plans to add a 36' x 30' garage to his property. Mr. Powell, the area rep, noted that Mr. Blake had emailed the PDF of his plans nearly two weeks ago but he had forgotten to forward it to the Board.

Mr. Tyler asked Mr. Blake to explain his plans for the garage. Mr. Blake stated that it would be a pole style structure with three bays. It will have 4' metal on the bottom and then board and batten on the sides, stained to match the cabin on the property. The roof would be green metal. The color of the metal on the bottom would be brown or natural rust.

Mr. Tyler informed Mr. Blake that per the Architectural Guidelines, metal material can only be a total of 10% of the façade. Mr. Blake stated that he was aware of the guidelines and the garage complies with the restriction.

The Board reviewed the plans. Mr. Blake also had a copy of the Improvement Plan and Agreement. Mr. Blake stated that he was building the garage himself, but a general contractor would be overseeing the construction. Mr. Tyler requested that the general contractor also sign the Agreement. He stated that the Board could approve his plans this evening and he could email or fax a copy of the Agreement with the contractor's signature.

MOTION: Alan Powell moved to APPROVE the garage plans for Lot 20, Plat A. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

PMMWC Report

Mr. Tyler has emailed copies of the construction plans for the pump house at Bobcat Springs to the Board. Mr. Tyler reported that the Utah Division of Drinking Water requires the building to be masonry construction. The shed is a concrete block building with a split rock finish. Mr. Deaver asked if the Water Company could add an exterior finish. Mr. Tyler replied that an exterior finish is not allowed. As a result, the building would not meet the Architectural Guidelines. Another complication is that the pump house is on HOA property that was previously understood to be Water Company property. There are underground utility transmission lines and pipe. There is also an existing shed at Bobcat Springs with a pump house and a chlorine treatment facility

within it.

Brody Blonquist, the Water Company Manager, explained that in the past when this was a Special Service District, all of the HOA and Water Company property was combined. For some reason, when the SSD was dissolved, the property was transferred to the Homeowners instead of to the Pine Meadow Mutual Water Company. Brody recently learned that the Bobcat Springs property should have been transferred to the Water Company and a different piece of property should have been transferred to the HOA.

Mr. Tyler stated that the existing pump house does not meet current health codes and it is a large risk to the water supply. Therefore, the Water Company is required to replace it. The problem is that State requirements conflict with the Architectural Guidelines.

Mr. Tyler noted that after speaking with Brody Blonquist and the Water Company Board members, they were able to draft a Memorandum of Understanding to exchange favors between the Water Company and the PMROA for the ability to construct the pump house. Mr. Tyler had emailed a copy of the MOU to the Board members. He reviewed minor changes to the agreement that were made after the Water Company President, Eric Cylvick had read the MOU and discussed it with Mr. Tyler. The first change referenced the insurance. The original language was replaced with, "...In policy value and have no maximum with aggregate and per occurrence." In the next to the last paragraph the word "irrevocable" was added to "a license for use."

Mr. Tyler explained that the MOU allows the Water Company to build the pump house as submitted, but it requires the Water Company to provide insurance coverage. In terms of the Architectural Guideline issue, the PMROA Board would have the ability to choose the color of the concrete block and the color of the roof. Mr. Tyler pointed out that the pump house would look similar to the one built on Tollgate Canyon Road.

Mr. Gonzales thought it would be easier to transfer properties and let the Water Company build what they want. Mr. Tyler replied that it was not a tax parcel that is legally separated. It is the only true common area owned by the HOA. Mr. Blonquist stated that the Water Company was not interested in transferring property. Once the building is constructed they would have the building marked and an easement made to the building and the water lines that run through there.

Mr. Tyler stated that the MOU also requires the Water Company to demolish and remove all the materials from the previous pump house. It requires them to return all the disturbed soils to their native grade or as called out in the design package. On completion of the pump house and the associated utilities, the Water Company would

have the site surveyed and come up with a legal description for that particular piece of property. The PMROA would work directly with the Water Company to determine how they would take a legal right to use that. Mr. Tyler pointed out that since this is HOA property, an impact fee would normally be levied on this particular type of property. However, since the Water Company and the HOA work together a lot and since it is coming out of the *same* pocketbook, there was no reason to charge an impact fee.

Mr. Blonquist explained that the Water Company was trying to upgrade the infrastructure to make it safer for the public. The pump houses are health hazards. He noted that the State brought it to the attention of the Water Company. It was not a project that the Water Company intended to do. Mr. Tyler clarified that the issue is with all the pump houses along the system and not just the one at Bobcat Springs.

MOTION: Tom Deaver made a motion to APPROVE the Memorandum of Agreement regarding the pump house on Bobcat Springs as presented and with the minor changes as stated. Dan Heath seconded the motion.

Mr. Burdette was concerned about waiving the impact fee. Understanding that it is the Ranch's Water Company, he asked if there was a way to charge the impact fee and in the MOU state that the PMROA would assume the responsibility of spending that same amount on reclamation in the area. The PMROA would not benefit from the impact fee, but they would remain consistent with the policy for all construction on the Ranch. Mr. Tyler believed this was a unique situation that made it different from any other utility company or construction.

The Board discussed the impact fee. Some of the Board members felt that the complexity was not worth the \$672 fee. Mr. Tyler believed that because it was the same base, it was not a necessary consideration in this particular case. Other Board members thought Mr. Burdette had a good point. Ms. Parker did not think it would be too much trouble to take money from one pocket and put it in another. Mr. Tyler stated that if the PMROA intends to put the same money back into the project, it was no different than waiving the impact fee because that would also be setting a precedent. Mr. Burdette stated that the difference is that the PMROA would be paying to do reclamation on its own land.

Mr. Deaver stated that if the Water Company does this project as well as they do everything else, including the new pump house down Tollgate, he thought they should list the impact fee and waive it. That would keep someone from saying that it was never listed. Mr. Tyler remarked that the impact fee is contemplated in the MOU. Mr. Tyler read from the MOU. "In recognition for cooperation between the two parties, PMRHOA waives the impact fee that would normally be levied on such a building on

PMRHOA property.” Mr. Burdette suggested that they delete the sentence Mr. Tyler read, and replace it with, “The standard Impact Fee of \$2.00 per square foot applies.”

Mr. Tyler asked if Mr. Blonquist was comfortable having the Water Company pay the impact fee and the Owners Association pay it back. Mr. Blonquist thought the points were valid but he thought it was a lot of unnecessary legwork. Some of the Board members pointed out that it would cost the Association money because they would have to pay Carol to enact the transactions. The suggestion was made to change the language to say that the impact fee would be assessed if needed. That would not set a precedent for waiving the fee, and the impact fee would not be charged. Mr. Tyler changed the language to read, “An impact fee may be assessed if applicable.” The Board was comfortable with that language.

The previous motion was withdrawn.

MOTION: Honey Parker moved to APPROVE the Memorandum of Understanding for the pump house on Bobcat Springs as presented with the changes as discussed and with the clarification “an impact fee may be assessed if applicable.” Tom Deaver seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler reported that the Water Company was still planning to replace the section of pipe from the switchbacks at Pine Meadow Drive all the way to Larry’s house, Lot C-8. Last summer the Water Company dug up this same section and put in a new box and ran it from there to Uncle Tom’s well. The project this year would complete that line.

Mr. Deaver reported that according to the Water Company the new pumps would be turbine pumps. They take about 30% electricity and twice the water volume. Mr. Deaver reported that if there is a fire, they would shut off all the power because the junction boxes next to the road would melt and shut everything off. The Water Company has made arrangement with Mount Regional Water and Oakley City for generators. Each pump house has an external generator connection. If the power is shut off in the event of a fire, they would bring up the generators and plug them in at each pump house. Water would still pump into the big tank for fire hydrants and fire suppression.

Mr. Tyler expected the pipe replacement on Pine Meadow Drive to take place in late August or early September. Pine Meadow Drive will be closed for a couple of weeks while they do the project. The road would only be open to people who live directly on that piece of road being worked on.

Revenue Recovery Update

Frieda Butterfield with Revenue Recovery was in attendance to update the Board and answer questions. Mr. Tyler asked Frieda to explain how the process works so the Board could understand how collections are handled once they are assigned to Revenue Recovery.

Frieda stated that the accounts are entered into the computer on the same day that Carol emails the accounts to her. Some accounts are updates and others are new. Addresses and owner information is verified with the Summit County Recorder. Notices are sent to the owners and she tries to follow up with phone calls. Frieda noted that there is no one standard way for how the process works. Frieda explained that in some cases she discounts her fee, but she never discounts the client's principle amount. Before she negotiates her fee, she has to know when the person will pay and how much. The amount needs to be a reasonable lump sum.

Mr. Tyler asked about the trigger she uses to cross from collections to foreclosure. Frieda remarked that she had gone through a very hard lawsuit, but the experience helped her to clean up the HOA and the Water Company policies and procedures in the minutes. It was a two-year lawsuit. The judge upheld the water foreclosure process, but he would not award any dollar amount after that. The judge also said the HOA was entitled to the dues and because it was automatically attached to the property, there should be notices at closing. Frieda stated that the Judge did not award any late fees or collections fees. In his final ruling the judge stated that he was not saying that they were not entitled to charge the fees, but he needed to see it written in minutes. Frieda noted that everyone who testified could recall the discussion and the fact that the Board decided to impose the fees, but they were unable to provide dates and who voted on it. Therefore, the Judge's ruling did not go in their favor. During that court case, she learned that the balance on any account over six years needs to be written off.

Mr. Tyler assumed the Association either forecloses on the property before six years or they lose the right. Frieda replied that they do not lose the right to foreclose, but they would have to write off any portion of the total amount that is in the seventh year. Frieda reported that a home owner had filed bankruptcy. Pine Meadow Ranch is a secured creditor so they could not be written off. However, the worst case scenario is that the Association would be paid over a five-year time period through the bankruptcy court. Frieda understood that the owner was looking to sell the property and she believed the bankruptcy was filed to stave off the foreclosure.

Mr. Tyler stated that the people who pay their Homeowner Association dues on time

and are a contributing member of the community, essentially subsidize the 10% who do not pay. Frieda stated that she makes every effort to resolve collection accounts to avoid the legal process because it is an expensive and lengthy process. She pointed out that when a property goes into foreclosure, the court allows the owner six months to redeem it.

Frieda commented on a property that was filed by the attorney, Ted Barnes, in a lawsuit, but Mr. Barnes has discontinued the process of foreclosure. She suggested that the Board talk to Mr. Barnes before the account goes beyond the statute of limitations. Mr. Tyler would follow up with Mr. Barnes. Carol noted that Ted Barnes had a total of seven properties. He gave up six but held the one Frieda had mentioned. The Water Company had turned the same owner over to Frieda for collections. Frieda stated that she is licensed in Hawaii specifically to collect on the account and she has visited his house in Hawaii on a similar matter.

Mr. Tyler was interested in reviewing the list to understand the status of each account and where it was in the process. Mr. Burdette thought the Board should review their process of when accounts are sent to Revenue Recovery. Carol replied that accounts are sent to Frieda at the end of the third quarter. The owners are given nine months to pay their assessments before going to collections.

Frieda had spoken with Carol about the need for the Water Company to look at foreclosing on the water share when an account is 1-1/2 to 2 years past due. She explained that when a property is foreclosed on it wipes out the liens. However, if the property does not have a water share, they have to annex to get the water share back and pay the annexation fee. She suggested that the HOA work with the Water Company to hold the water share hostage until the HOA assessment is paid.

Frieda reported on two properties that she was working on for foreclosure. She gave a history of the accounts and explained the issues involved.

Frieda stated that she would email Mr. Tyler a list of the collection accounts with a brief summary for each one. She would welcome any information from the Board to help with the collection efforts.

Frieda left the meeting.

On-going Business

All West Communications Easement Agreement

Mr. Tyler had sent the Board members the draft easement document. He had not personally reviewed it because he first wanted to have a global conversation with the Board about whether or not to pursue it. He had spoken with All West Communications regarding their offer and many of the details. In terms of the practical aspect, Mr. Tyler was comfortable with the way All West Communications function and how they install the line. He was also comfortable that they would restore the road to its original condition. Mr. Tyler explained that when they started to talk about payment, he was told that All West Communications has paid anywhere from 10 cents per foot to \$1.00 per foot for easements. The draft document proposed to pay Pine Meadow Ranch 50 cents per foot.

Mr. Tyler stated that he was able to confirm from a colleague who had done utility work in Wyoming that his company was paid 15 cents per linear foot for a similar easement. Mr. Tyler recognized that the topography of land in Wyoming is very different than Tollgate Canyon. He had also spoken with other colleagues who advised him that if All West Communications really wanted to go through Pine Meadow Ranch and the long term goal was to provide service to the area lot owners, the Board should send Century Link and Comcast a request for proposal to see what they would be willing to pay for the same type of an easement. Mr. Tyler thought it was a good idea if for no other reason than to show the value of the easement. It would not obligate the Ranch, but it would give them a concrete platform to work with All West Communications if they choose to do so, and it would tell them the real market value of the easement.

Mr. Tyler asked the Board for their thoughts on requesting a proposal from Century Link and Comcast. Someone asked for the amount of revenue that would be generated at 50 cents per foot. Mr. Tyler replied that it was approximately \$5,000. All West Communications was looking at laying 10,000 linear feet through Ranch property. It was noted that \$1.00 per linear foot was paid at some point in the history of All West Communications. Realistically, \$2.00 to \$3.00 was not unreasonable.

Mr. Burdette noted that at the last meeting he was asked to look at other easement options. He explained that he researched a previous easement negotiation he was involved with in Salt Lake County. At that time Utah Power and Light paid \$2.00 per square foot to run a higher voltage line down the length of a piece of property. They already had a 10-foot wide easement, but the higher voltage line required a 20-foot wide easement. Mr. Burdette noted that UP&L only needed air space and they had not disturbed any ground.

Mr. Tyler stated that in conversations with friends in Summit County who have dealt

specifically with permanent road easements, he was told that the County typically sees half of the value of the easement property as the fee for an easement to put in a road.

Mr. Tyler personally thought the Board should table the easement discussion and pursue feedback from Century Link and Comcast. Mr. Burdette reported on an easement that was recently sold on the Ranch. The cabin was built on the lot but not the driveway. The lot owner approached the landowner and asked for an easement. The easement was measured by square footage and the lot owner paid \$1.00 per square foot for the driveway easement. Mr. Tyler stated that he would contact Comcast and Century Link to see if they were interested in an RFP.

Signage

Mr. Tyler noted that Mr. Brown was tasked with the count to replace signs. Mr. Brown stated that he had assessed Area 1 as a sample and applied the numbers as an average for the other areas. In his Area 1 they needed approximately seven posts and 15 new signs. He explained that none of the current signs were two-sided. He thought the Board needed to determine the cost of one sign and the posts, and whether to look at creating a post that can accommodate a sign with two sides. Mr. Brown remarked that the 15 current signs in Area 1 were not two-sided; therefore, it was not an accurate number.

Mr. Deaver understood that a two-sided sign would require special brackets to go on top of the post to hold the signs. Mr. Tyler replied that the brackets would go on the side of the posts. Mr. Deaver noted that two identical single sided signs could be mounted on the same wooden posts. He strongly recommended making them out of scotch bright so they could be read at night. Mr. Brown suggested that the Board reconsider wood posts because a lot of the wood posts are bent and broken and others are missing. Mr. Tyler replied that they currently use wood posts because during the winter the posts get hit, knocked over and broken; and wood posts are less expensive to replace. The posts are not in concrete for the same reason. Mr. Tyler assumed the design would be a single post with side brackets with a double-sided sign attached to it and pointed in the direction of the road it was actually marking. He remarked that the real issue is where the sign posts are located, because in some cases they are 100 feet past the intersection.

Mr. Tyler asked Mr. Brown to research the cost of double sided signs and brackets with the option of Scotch Bright. Mr. Brown would also get a true and accurate count of how many double-sided signs are needed. Mr. Tyler thought it was better to obtain the cost first. If the expense is significant they may need to consider doing one area each year. Mr. Brown stated that he would email the cost estimate to the Board members prior to

the next meeting.

Map Replacement

Mr. Tyler noted that there was a map of the lower area off of Tollgate. A number of people, particularly those looking for properties or visitors to the area stop and look at the map. Mr. Tyler has had requests to replace the map because it is deteriorating. He recalled that Dan Heath replaced the map the last two times this happened. He asked the Board if the Owners Association should pay to have a new map sign put up.

Mr. Deaver asked if the map is primarily used by realtors. He was told that everyone who comes to the Ranch uses it. Mr. Tyler personally likes having a map at the bottom as a guide. He estimated the cost at approximately \$500 on the high end. He believed a more realistic cost would be \$350.

Mr. Deaver thought they should the discussion on the more expensive items first to see if there is money left for a map. Mr. Tyler agreed.

Dumpster Area

Mr. Tyler reported on an owner request to have a sign indicating that the dumpsters were for Ranch owners and guests only, and specifically listing items that could be accepted. Mr. Deaver pointed out that people who could care less would ignore the sign anyway. Ms. Parker believed the bigger question for that area is what would be a proper deterrent. She was unsure whether a sign would solve the problem.

Mr. Tyler stated that the dumpsters are sitting on private HOA property. They are for the use of the Ranch only and not for anyone outside of the Pine Meadow Homeowners Association. Based on that fact, the Association has the ability to file complaints with the Sheriff's Office if someone is illegally dumping on their property. Mr. Powell understood that the dumpsters were provided and paid for by Summit County. Mr. Tyler replied that the County provides the dumpster's at the request of the Ranch. Other properties can request to have County dumpsters on their land the same as the Ranch.

Mr. Burdette stated that one option would be to gate the dumpster area. Mr. Tyler remarked that he would also support installing a camera to capture a license plate. If the first few people are fined or prosecuted for illegal dumping, the word would spread quickly. Mr. Tyler thought the Board should think about approving a budget line item for a camera and he would work with Jody to set it up. Mr. Burdette suggested that they pay the additional expense for a lockable box.

A member suggested that anyone who sees someone illegally dumping should take a picture of the car and license plate and email it to Mr. Tyler to submit to the Sheriff's Office. Ms. Parker would post on the Facebook page and on the Website that anyone who sees someone illegally dumping should take a picture instead of confronting the person.

Someone asked about gravel for the dumpster area. Mr. Tyler replied that gravel was a budgeted item Jody has it on his project list. Mike Gonzales recalled a previous discussion about a second recycle bin. Mr. Tyler stated that he spoke with the recycle company and instead of getting a second bin they were told to call for pickup if the bin is full before the scheduled pickup date. He noted that the company had increased the regular pickup from once every two weeks to once a week. Mr. Tyler stated that whenever someone sees that the bin is full, they should call him and he will contact the recycle company or they can call the number on the bin themselves.

Long Term Planning Discussion

In the interest of time, Mr. Tyler tabled this item to the next meeting.

New Business

Removal of vehicles from the upper parking lot at Winter Parking

Mr. Tyler stated that he had asked Dan Heath to investigate this issue. He found out that if they move any of the vehicles it could be considered theft. The vehicles must be moved by a licensed towing operator. As a result, Mr. Heath contacted Park City Towing and they would charge \$180 per vehicle towed. There were approximately 15 vehicles in the parking lot. Mr. Heath also called Moore's Towing out of Coalville and they would tow away all the vehicles for \$300 total. Mr. Deaver noted that Dan Schow in Wanship is very inexpensive and close to the Ranch. He would send Mr. Heath the phone number. Mr. Tyler remarked that the vehicles needed to be towed out of the parking lot immediately. The owners have been adequately notified. He had sent a Ranch-wide email stating that the vehicles would be moved by June 1st, followed by another email extending the date to July 1st. It was also posted on the Facebook page.

Mr. Tyler requested that the Board authorize Mr. Heath to have the vehicles removed. The urgency is that the lot is used as a staging area for Water Company construction. Mr. Burdette pointed out that if the vehicles are allowed to stay, the problem compounds and eventually the lot becomes a dumping ground for broken down machines. Mr. Tyler noted that the posted sign reads that the parking lot is for winter

parking only.

Ms. Parker clarified that the vehicles would be taken to an impound lot where the owners could pay the fee and retrieve them. Mr. Tyler agreed.. Mr. Deaver suggested that they look for Pine Meadow Ranch stickers and try to contact the owners before they have the vehicles towed. Mr. Tyler thought the owners had already been given sufficient notice and time to remove the vehicles. However, he would not be opposed if someone wanted to volunteer to look for stickers and contact the owners within the next two days. Carol stated that if the owners could be identified, she could send a postcard letting people know that the vehicle was not stolen and they could retrieve it at the impound lot.

MOTION: Tony Tyler moved to authorize a maximum budget of \$300 for Dan Heath to arrange to have the vehicles towed from the winter parking lot. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously.

Summer Fire Mitigation and Chipping Schedule

Mr. Tyler noted that Jody and Hutch had started this project at the lower section of the winter parking lot. They have a brush pile and any landscaping material that can be chipped could be added to the pile. As soon as the pile is big enough the crew will come up to chip it and blow it off the edge. Mr. Deaver asked if the crew would chip individual piles that people put next to the road. Mr. Powell stated that they would chip individual piles, but it is harder to get the crews up there because they have to schedule a longer block of time. A few years ago the crew spent two weeks chipping brush piles. Mr. Powell notifies the crew when there are enough piles to make it worth coming up. For that reason, it is better to stack it in one pile. Mr. Tyler pointed out that only natural brush and branches can be chipped. He was unsure when the chipping would occur, but it would be before the end of the summer. When he has an idea of the timeframe he would post it on the website.

Ranch Manager's Report

Projects complete or in Progress

Jody reported that he was finishing some of the gravel projects. Forest Meadow Drive was completed. The mag water was done and he had started grading and rolling a lot of road around the Ranch. Jody stated that he was also spraying weeds and cleaning culverts.

Jody reported that the equipment was in good condition and it was running well.

Jody had ordered 3" road base to be delivered. He was thinking of putting 3" in a few places on Bull Moose.

Mr. Tyler reviewed a spread sheet that he had forwarded to the Board members. He noted that the numbers could change because the costs of material and labor increase and decrease on a day to day basis. Mr. Tyler stated that one of the pits they pull from is significantly less expensive than Geary's pit. They could get an all-inclusive price from Whits Pit of \$175-\$180 per load, which was \$50-\$80 less per load than Geary. The drawback is that Whits Pit does not always have product available. Mr. Tyler noted that they pull from Whits when they can and from Geary the other times.

Mr. Tyler remarked that the spread sheet was calculated on Jody's procedures. The cost assumptions at the top could be changed and the spread sheet showed how the costs were calculated for road base, 3" rock, Rotomill, trucking costs and the tons of material per truckload, which also varies. Other costs included a trucking hour per delivery assumption of 1-1/2 hours and the current Summit County tax rate of 6.05%. Mr. Tyler had also added 5% overage contingency line item.

Mr. Tyler commented on the projects that were completed. Pine Meadow Drive from C-7 to D-42 was estimated at \$11,783.76. The actual cost was \$10,340. Pine Meadow Drive from the switchbacks to C-7 for the 3" rock was estimated at \$3,242.68. The actual cost was \$2,992.50. Mr. Tyler remarked that sections of Forest Meadow Road were resurfaced as needed. The project was estimated at \$10,044 and the actual cost was \$6,815. The mag water assumption was \$4,519.80. Mr. Tyler recalled that the Board had approved \$2,500 and the actual cost was \$3,150 due to road base that needed to be added. Mr. Tyler stated that with some of the items under budget and others over budget, they were still able to remain close to the overall budget. Because it is difficult to pinpoint the actual costs, Mr. Tyler thought it was best to give Jody a specific budget for x-number of projects and allow Jody to work within his budget. It would give Jody the flexibility to allocate funds to the roads that need it the most based on his opinion and expertise.

Bull Moose

Mr. Tyler stated that the cost for Bull Moose was originally based off of a \$20,662 budget that was approved at the May meeting. The recalculation was broken into 3" rock and road base and the total budget was \$25,698.09. Mr. Tyler noted that he and Jody toured the area and looked at all the possibilities. The project map identified an

original scope that went from Artist Point all the way to Porcupine Loop for 96 loads of 3" rock and road base combined. Mr. Tyler stated that after surveying the area he and Jody agreed that 3" rock is needed in what they call the mud bog on the bottom curve. Additional 3" rock is needed by the Milligan's driveway where it is starting to fall apart. At the very top near 108 and 108A the base is good but there is no soil. Jody would add road base in that area. In talking with Jody, Mr. Tyler believed they could get the revised scope to approximately \$3,000, which is down from the \$20,662 that was actually approved.

Mr. Tyler stated that his long term plan is to have a running account of which roads have been done and which roads need to be done. One breakdown should be the four major roads and thoroughfares that get road material every year; being Forest Meadows, Pine Meadow Drive, Arapaho and Tollgate Canyon. Mr. Tyler suggested a rotating basis of once every five years to add material to the roads outside of the scope of the four major roads.

Mr. Tyler thought they needed to fix the base of Bull Moose because that is what they were building on top of for future road base. Mr. Deaver asked if Mr. Tyler was talking about doing Bull Moose from the end by the Forest Meadow/Porcupine Loop intersection down to Lot 46, and fixing the bog with 3" minus.

Mr. Tyler recommended that the Board revise the scope down from \$20,662 to a \$3,000 budget. They could do the three initial items this year to see how it holds up, and then add it to the schedule for the coming years. He reiterated that his long-term goal was to prepare a rotating schedule so every year they would know which roads would be done and which roads have been done.

Mr. Burdette remarked that they have a unique environment at the Ranch where at times they will get abnormal runoff in the Spring. He wanted to know what they would do with a road that was fixed last year but was wiped out during the runoff this year. It would be difficult to tell the owners that their road was already done and it was not scheduled for another four years. The Board agreed that the schedule could be changed or re-evaluated to accommodate unforeseen situations.

Mr. Deaver wanted to know how they would respond if the majority of owners on a road wanted it left as is and not improved. Mr. Tyler replied that as the Board of the HOA they have the responsibility to maintain the roads to whatever standard they see fit. He understood the sentiment, but if one person wants the road improved the Board could not discriminate against that one owner because six others had a different idea. Mr. Deaver stated that in reverse, they would be discriminating against the six owners to satisfy the one. Mr. Tyler replied that the Board is charged with maintaining the roads

and they would be following policy.

Mr. Tyler was asked to explain the reason for cutting the budget for Bull Moose. Mr. Tyler stated that it was a financial consideration because there were options to spend the money elsewhere. It was also a question of time to make sure the bog is fixed properly before they add more road base. If they put ten truckloads of 3" minus in the mud bog this year and it washes out next year, they would know they needed to do something different before they spend \$20,000 on road base. Mr. Tyler understood that Bull Moose has been on the schedule for a couple of years and it would get done. Mr. Tyler believed this was the best course of action under the current circumstances.

Tollgate Canyon Asphalt

Mr. Tyler stated that Pine Meadow Ranch does not legally own the Tollgate Canyon Road; but they maintain it. However, there is a misnomer because the Ranch owns property that Tollgate Canyon Road crosses and those sections of road are some of the worst on the Mountain. Mr. Tyler outlined the options. They could 1) continue to band-aid it with hot patch, which is a short to medium term solution; 2) consider professional asphalt at a higher cost; or 3) do nothing. Mr. Tyler noted that the Board had a conversation via email based on their approval at the last meeting for an electronic discussion; and the opinions were varied. He personally believed they should spend the money to have it commercially paved so it is done right and done once. Mr. Tyler recognized that this type of expense deserved an extensive discussion and it was too large to be decided on tonight.

Ms. Parker asked about the cost. Mr. Deaver replied that last year the bids ranged from \$168,000 to over \$170,000 from the mailboxes up. Mr. Tyler pointed out that the Association did not have that amount of money.

Mr. Burdette noted that a few summers back Jody had asphalt brought in and he laid it on Forest Meadow Road. He spread it with the grater and rolled it with the roller. It held up well because they laid it thick. Laying it thick gave the road a chance to glue together well and it was still holding up well. Mr. Burdette remarked that five years ago the Board started a plan to do as much work as possible with Ranch personnel and Ranch equipment. They started that plan by purchasing a dump truck, a compactor, and a sander, and by having an operator who could run the road grader with skill and talent. Mr. Burdette stated that if they hire an outside contractor, they would pay for their equipment while the Ranch equipment sits idle and they would pay for their employees. If they do the job themselves they could lay the asphalt thicker than if they pay someone else to do it. Mr. Burdette stated that if the question is what would hold up better, 3" laid by a contractor or 5" laid by Jody, he would have to say that 5" makes

a better road. In addition, an outside company could not compact it any tighter than Jody could.

Mr. Tyler agreed with a lot of the points Mr. Burdette made. However, the Ranch does not have a machine to lay the asphalt and Jody does not have the ability to follow the same process and procedure as a commercial company. He believed that was the crux of the argument and where there would be a difference of opinion.

Mr. Deaver stated that when the asphalt was machine laid on Tollgate, the company who laid it did not grind up the old base and follow the process that Mr. Tyler assumed they would. He emphasized that spending \$170,000 would not result in the same County standard asphalt laying process. Mr. Deaver thought Mr. Tyler was comparing apples and oranges and it was nowhere near the budget they could dream of in the future.

Mr. Gonzales thought Mr. Burdette's point about laying the asphalt thicker was a good point. The asphalt is on dirt and it is important to have it thicker. Mr. Deaver pointed out that the sections where Jody laid asphalt has held up and it has not broken up or peeled out. The difference is that the appearance of the asphalt does not look as nice as the asphalt laid with an expensive machine. Mr. Deaver stated that the cost difference is significant because Jody had estimated \$34,500 to asphalt from Rick Rouse's driveway through the bad section to where the good pavement starts. Mr. Tyler clarified that Jody's estimate was for minimum coverage and not for laying asphalt 4" to 5" thick.

Mr. Tyler emphasized that he was not suggesting that \$180,000 was the right approach. He was only pointing out that they do not know the actual cost of laying asphalt professionally and he thought they should find out.

Mr. Deaver stated that he spoke with six property owners in his area and one person did not want to do anything in Tollgate unless it is matched by the people who live down there. The five remaining owners wanted Tollgate fixed. He gave them the choice of paying to have it machine laid or to have Jody do it and the answer was unanimous to have Jody lay it.

Mr. Heath stated that there are two sections. They have someone on the upper section who has offered to contribute \$10,000 for asphalt. Mr. Heath stated that this particular area could be done with donations, Association money and with Jody doing it. Mr. Heath thought they needed to rethink the lower part in case there is ever a problem or a wildfire. Parts of the road need to be widened and regraded and another person offered to contribute \$50,000 towards that section. Mr. Heath stated that for the work to

be done in a less than perfect way would be a waste; plus it would cost them the \$50,000 donation because that person did not want Jody to do it. Mr. Heath thought they should concentrate on the upper portion and do it all and get it over with. They should wait to do the lower part later when it could be done perfectly. He thought they needed to look into the future for more traffic because it would come right down that road.

Mr. Powell struggled with approving a budget until they have the money. He would feel more comfortable if the donor would write the check for \$10,000 with the stipulation that it could not be cashed until the road was completed.

Mr. Tyler stated that he would go along with whatever approach the Board decides is sufficient. He would voice his opinion based on what he thinks is best, but he would not oppose the Board. However, his recommendation would be to Rotomill the road and spend a minimal amount of money on the lower section of Tollgate Road. They do not have the money to do it right and they do not have the money to do the entire section of the road, even if Jody does it. Mr. Tyler thought there was enough division on the Board that they should take it to the annual meeting. They should prepare a statement for and a statement against and let the membership decide what to do and the best way to do it.

Mr. Heath could not understand why the Board would walk away from doing the upper section when it was almost a freebie with the donation. It needs to be done and it needs to be done right, and they have the money to pay for it.

Ms. Parker stated that if the top half is \$34,000 and they have a \$10,000 donation, it would cost the Association \$24,000. To do the bottom part would be another \$34,000. If they do half of what is projected to cost professionally, that would be \$85,000. If the second donor truly pays the \$50,000, they could look at budgeting the remaining \$35,000 for a future date.

Mr. Heath stated that the donor who offered \$50,000 has his home on the market for sale. That was why he was willing to donate the money. If the house sells, the money would be gone.

Mr. Burdette reported on the budget. He noted that the expenses are divided into two groups. The first are fixed expenses, which is money they know they have to pay and they can calculate the amount. If they deduct the fixed expenses from the total cash amount, there would be \$48,000 left to work with to fix the roads. The \$48,000 can be put into asphalt, aggregates, chip sealing, or crack sealing. The Board could make a decision this evening on how to spend the \$48,000.

Mr. Gonzales noted that the Board had already approved projects and he asked if \$48,000 was in excess of what was already budgeted. Mr. Burdette replied that \$48,000 is the amount they were arguing over in terms of making a decision. He explained that the \$3,000 they talked about spending on Bull Moose would be part of the \$48,000.

Mr. Burdette preferred that the Board not wait until the Annual Meeting in November to make a decision. He proposed that they use the construction season to get the work done. If they use \$25,000, it would still leave \$23,000 for aggregates, sand, etc.

Brody Blonquist suggested that the Board steer away from asphalt this year because a lot of heavy equipment would be going up and down the canyon for the Water Company projects. He anticipated that it would continue until October. Mr. Burdette pointed out that the road needs to be built to withstand heavy equipment because it happens every year. Mr. Deaver asked Jody if he could lay asphalt windrow style to handle those trucks. Jody answered no. Mr. Deaver thought that was a big factor. Mr. Powell remarked that one advantage of the machine is that the asphalt spreads more evenly and compacts harder. Mr. Heath stated that the point of the discussion is to do it once and do it right. Mr. Tyler pointed out that there was no right or wrong answer.

Mr. Tyler understood that there were two separate reserve accounts. One was an emergency road account that is funded at \$75,000. If any of the primary roads wash out, the emergency funds could be used to fix the roads. The second is a capital reserve account which is funded to repair and replace Ranch equipment or to pay for any capital improvement the Board sees fit or necessary for the Ranch and the operation of the HOA. Mr. Tyler noted that they were still in the process of fully funding the capital reserve account. He explained that the Board was trying to come up with a plan to make sure they are adequately covered. For example, the biggest item is the road grader. If they do nothing to the grader it may last two to four years. If they take it to Caterpillar for a complete overhaul, the cost would be in the range of \$25,000 to \$35,000, but they would be able to remove the grader from the capital reserve and push it to ten years later. It is a new requirement by Utah State Law and Mr. Burdette was working to build the fund balance to the required level. Mr. Tyler commented on the importance of maintaining the capital reserve fund.

Mr. Burdette explained that Utah Law requires the Board to disclose the Fund to the owners. The law does not require the Board to have a reserve fund to cover for this liability; however, it would be irresponsible not to maintain one. Mr. Burdette reported that currently their liability was \$162,500. Mr. Tyler pointed out that currently they were under-funded by \$22,500.

Mr. Deaver believed they were all in agreement that money should not be pulled from the capital reserve fund. The question was what they should do this year with Lower Tollgate. If they wanted to save \$38,000 from this year's budget and put it with next year's budget; it would sit there and not be taken for anything short of a life or death emergency, he wanted to know what they would do with the road in the meantime.

Ms. Parker stated that the Water Company anticipates heavy equipment on the road until October. She asked if it was too late to lay asphalt in October if the snow comes late. Jody replied that it was too cold in October to lay asphalt. Mr. Heath noted that if Jody patches with Rotomill and the equipment tears it up, Jody could grade it back and roll it again. Mr. Tyler stated that Rotomill adds to the base underneath the road so it would not be money wasted. He acknowledged that it was a band-aid, but it would take it to next year. Mr. Deaver was willing to settle for Rotomill this season if there was a hard commitment to put the money saved this year towards next year budget to do the upper portion of Tollgate professionally.

Mr. Tyler stated that he and Jody talked about the budget and the cost of doing Rotomill was approximately \$1800 for the base up to Rick's driveway and about \$3600 from Rick's driveway up to the bottom of the good asphalt. He rounded the cost to approximately \$6,000 for Rotomill for the rest of the summer.

Mr. Tyler recommended that the Board authorize spending \$6,000 for Rotomill and give Jody free rein to maintain it as necessary. Mr. Tyler thought they should save as much of the \$48,000 budget as possible to apply to next year.

A member favored Mr. Tyler's earlier suggestion to raise the issue at the annual meeting and let the owners vote on whether or not to increase fees. He thought they should do that to see how the members feel.

Ms. Parker believed that the people who do not come down Tollgate would ask why they should continue to pay for a road they do not use. Mr. Powell thought the Board should take a stance and state that Pine Meadow Ranch is in charge of Tollgate and Forest Meadow Road and put them in the same category.

Mr. Burdette stated that they collect a quarter of a million dollars each year and by the time they spend a little piece here and there it whittles away and they end up with \$40,000 to spend on roads.

Ms. Parker thought they should tell people at the Annual Meeting that the budget

evaporates quickly and ask them for their top priority. If people say Tollgate Road, the Board would have to re-evaluate spending money on other things such as signs. Mr. Tyler remarked that budgeting is a balancing act because there is never enough money to allocate. Roads cost a fortune to maintain, and how they maintain them depends on how much money can be allocated. Mr. Tyler agreed with Mr. Burdette. Every time they approve small expenditures here or there, the money comes from the fund that is typically used to maintain the roads. Unfortunately, there are so many reasons to spend the money that they have to prioritize and allocate. Mr. Tyler thought the Board was doing a good job with the money they have. He suggested that it was up to the homeowner to decide if they want to spend more money for a higher standard of roads and more amenities, or if they want to allocate what they have and prioritize where to use it. Mr. Tyler believed the owners in general trusted the Board to make that decision on their behalf.

Mr. Tyler summarized that that his preference would be to spend \$6,000 on Rotomill on the lower section of Tollgate and continue the discussion on asphalt for next year. He would like to spend \$3,000 on sections of Bull Moose. At that point, the Board could look at the remaining projects and decide which ones to fund.

Mr. Deaver remarked that Heather Lane is a mud bog half way done, and Navaho Drive on the Pine Meadow end is full of ruts. He recommended fixing those problems this summer. Depending on the cost, the owner of Lot E-85 offered to buy the base to fix Heather if Jody would grade it. Mike Gonzales suggested that the intersection of Elk and Uinta View should also be added to the project list.

Mr. Tyler remarked that the three culverts he identified for Pine Meadow Drive was to replace existing culverts. He noted that the Water Company offered to install the culverts if the Owners Association pays for them. The cost of three culverts was \$1640 total.

Mr. Deaver suggested that the Board table the idea of spending money to replace signs and the map at the bottom because they were already working on a tight budget for roads. Mr. Heath offered to cover the cost of the map. It would be generic and Ms. Parker could help design it.

Mr. Tyler stated that if they spend \$6,000 to Rotomill Lower Tollgate, \$3,000 on Bull Moose and \$1640 on culverts, it would mean that the previously approved project for the lower *parking lot* at \$4,000 would be rescinded. They would not have the money to gravel the lower parking lot. The above stated projects totaling \$10,640 would leave \$37,360 remaining out of the \$48,000 budget.

Mr. Burdette proposed that they carryover \$35,000 for asphalt for next year and use the remaining money on the roads. Mr. Tyler clarified that if they pay \$1,158 for Junction Court in addition to the \$10,640 for projects and carryover \$35,000, they would have \$1200 left.

MOTION: Mr. Tyler moved to APPROVE a budget for \$11,800, which includes \$6,000 to Rotomill Tollgate, \$3,000 for the 3" and road base on Bull Moose in the areas discussed, \$1640 for culverts at Pine Meadow, and \$1,160 on Forest Meadows at Junction Court. Alan Powell seconded the motion.

VOTE: The motion passed unanimously.

Mr. Burdette asked about the crack sealing. Jody replied that he signed the contract and sent it in but he had not heard back from the contractor. Jody would call to either schedule a time or cancel the contract.

Budget Review

Mr. Burdette reviewed the unpaid bills detail in the amount of \$21,941. To that amount he added the Dirt World bill for aggregates and hauling in the amount of \$8,635. He also added \$211 to Revenue Recovery for the Pam Davis collection.

MOTION: Mr. Burdette proposed to pay all the bills as outlined. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously.

Mr. Deaver commented on the road income from the LDS Church in the amount of \$9,036. He noted that LDS Church Central has taken over the Stake properties and they allow groups Church-wide to use them, rather than just four stakes. The result is a major increase in traffic and he recommended that they talk to the Church about a potential increase in their contribution. Mr. Burdette explained that the Church-wide groups have been using the property for several years, which is why the fee is \$9,036. Mr. Burdette would talk with his contacts at the Church. Mr. Deaver suggested a 20% increase, which is the same percentage the HOA assessments were increased.

The meeting of the Pine Meadow Owners Association Board adjourned at 10:10 p.m.

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