



BOARD OF DIRECTOR MEETING AGENDA

November 18, 2021 11:00 am

Harmons° Santa Clara, UT

CALL TO ORDER: The Board meeting was called to order by Sheri at 11:00 am.

ATTENDING MEMBERS: Sheri DeMott, Lynn Larson, Leo Basch, Rosann Krausch, Donna Mooers, ARCOM Members: Jared Alvey, Steve Weidner

DETERMINATION OF QUORUM: Yes

OLD BUSINESS:

BOARD MEETING MINUTES: September 18, 2021

EXECUTIVE MEETING ADDITION Any discussions involving members will be addressed in the Executive Meeting section of all minutes. Executive Meeting minutes will not be posted to the web.

An Executive Section was added, after the fact, to the September 18 meeting for this reason. Board Members agreed this is appropriate.

APPROVAL MINUTES: The minutes were approved with the Executive Session addition by Leo, Lynn & Donna 2nd

TREASURER'S REPORT:

Checking \$28,169.39 a/o 11-6-2021

CD'S

0079 3-month CD \$27,807.06 a/o 10-14-2021

0061 6-month CD \$26,725.28 a/o 10-14-2021

9050 24-month CD \$64,747.62 a/o 8-14-2021

Total: \$119,279.96

The amounts listed are as of the date showing. CDs are kept separate from the checking account, which will be used for bill paying. The CD's will continue to accrue and will be used as needed for future projects and build up the savings account.

A primary expense report break-down for the last 3 years (2019, 2020, 2021 to date) was presented showing expenses and the increase / decrease in each category. Donna proposed this report be given to members each annual meeting along with the general yearly financial report. Approved

SAVING ACCOUNT: CAP ONE HUNDRED THOUSAND DOLLARS

By opening a savings account, it can be easily accessed, which the CD's cannot. Take at least \$15 to \$25 thousand dollars each year and put it into the savings account.

Donna explained the Board several times over the years attempted to raise dues but members voted it down each time. This is part of what caused the association to run at a minimum balance. Costs have increased along with expenses that have been added over the years. For example, the now additional cost of snow removal on lots 113, 114.

Reduction of dues can be done after a cap is reached. The suggested cap would be no less than one hundred thousand dollars (\$100,000.00). A savings account will be set up with the State Bank.

FUTURE 2021-2022 BUDGET:

It was felt members at the annual meeting realized the association has been running in a near deficit each year and will not reduce dues once the county takes over dust control. This will give the association an opportunity to bank the extra savings for a few years.

During discussion Lynn requested Leo put together a fact sheet, or summary, taking point by point, explaining the need to maintain dues at the present or even higher rate in order to build a secure financial base for the association. Leo agreed and will work on it.

Leo added, should the State require a Reserve Study a special assessment may be imposed. We can justify leaving the dues where they are. Even though we have at least one hundred thousand in CD's we probably need between two hundred, two hundred and fifty thousand

dollars in order to handle such issues as drainage without taping into reserves.

The association needs to be flush with cash so we can actually do something to help its members. If a situation arises where we have a need to repair something for say \$2,000, the Board can say “fix it” and we can move on.

Sheri checked with surrounding HOA’s and we are in the ball park where dues are concerned.

Lynn questioned why the State would get involved and be concerned about the funds an association maintains. Donna said for the same reasons Leo just brought up. Should an expense arise, the association will be able to cover the cost immediately. Rosann further added, being a member of an HOA in Vegas, the association will not have a choice if the State requires the reserve.

Donna talked about the situation wherein a survey was done which changed lot lines. Almost 10 members were affected by the change. The associations’ attorney was brought in. At association expense, he worked with all members involved. Although it was not resolved to everyone’s wishes, it was resolved for those members involved and set a precedent for future similar issues.

Donna also brought up that for years the rumor on the mountain is “incorporation”. Other areas, such as Mammoth Creek, have incorporated. Should this ever happen, it can be quite costly.

Lynn asked what the benefits would be. Donna and Sheri explained access to services on the mountain rather than being dependent on services out of Kanab. Schools, doctors, medical facilities, police, fire departments, a governing Board, laws specific to the area, taxes staying on the mountain. The mountain would no longer be dependent on Kanab.

Even though many say it will never happen, the rumor continues. Adding to that, more lot owners are full time residents looking for accessible services.

ARCOM UPDATES:

DRAINAGE:

Lynn advised there were pretty heavy rains in July causing a lot of erosion throughout the subdivision. Several members came together to look at the bigger picture and how to deal with the problem. The Shoshone, Redwood areas along with an area on Empty Saddle seem to be the worst hit. There are 4 or 5 specific areas we need to address. It would be best if we can work with the County, including costs to resolve some of the problems.

A Zoom meeting was held with Commissioner Wade Heaton, Road Department Supervisor, Bert Harris and DCROA members. Wade Heaton stated we have poor ditches, signs, clogged culverts, which to replace costs thousands of dollars. Our roads are considered Class B and as such, the county has limited funds and limited responsibility.

Working with both Wade and especially Bert Harris, if we can allocate funds to bring in equipment, putting in more culverts, having some survey work done to see where the run-off tends to go. This would help everyone in the subdivision and the County.

Lynn added not everyone is affected equally. His personal lot drains pretty well, but other areas are eroding. As an association we should be more proactive, with a reasonable capital outlay to help everyone.

Donna added the powerline poles in the middle of the road on Redwood need to be addressed.

Rosann read from Bert Harris letter regarding the streets being county roads and not city streets. Bert's letter stated funding came from State fuel tax not property tax. Lynn added the difference in funding also included full time residency (in towns and cities) getting more services than parttime residence (outlying areas).

Sheri suggested we contact our attorney regarding road issues. Leo suggested going to the attorney would not resolve the problem of the county being responsible but not having the funds. Lynn added he is not sure all culverts are in the right place to begin with. Would like the meeting on drainage to offer some degree of approval on maintenance issues.

Sheri suggested finding out what the cost would be and then going to Bert and saying this is the cost, this is what we have. Can we work together? This may justify the dues to get things done for the whole. Culverts are expensive. Bert implied he has the man power but not the cost for the culverts. Everyone attending that meeting agreed that was the general feeling.

Leo suggested bringing in experts to assess the needs/costs before any action is taken. Sheri suggested some may not need replacing so much as being cleaned out. Rosann questioned the liability for the HOA helping one and not another member. Sheri and Lynn agreed the difference would be want versus need.

A map showing culverts, etc. would help in identifying need and then priority. We also need a process set up, in advance of any action taken. Rosann questioned if all members will receive the same treatment when their area is in question. As Lynn explained, it is open to all members on an as need or priority basis. Sheri wants all members to have full notification of the process and that everyone is included. All requests for attention will be fulfilled with at least an inspection. Owners involved will be kept apprised as to where they are on the priority list. Take a photo of areas where anyone has a complaint to show why things are prioritized and where they fall on the priority list. Leo suggested the Board make a commitment to set aside capital funds for drainage issues. It is proposed the board allocate five thousand dollars (\$5000.00) for drainage issues for 2022 to begin with.

Lynn will work on getting a map which shows where all culverts are. He will also take the lead in talking with Bert Harris.

Sheri suggested an appraisal be done, given to Bert and ask what can we, working together, get done. This will also justify the dues so that we don't have to raise dues. Liability can probably be addressed with the county before any action is taken. Bert Harris explained that permits are required before any action can be taken on the road.

The motion to set aside five thousand dollars (\$5,000.00) for drainage issues for 2022, the motion to establish a process for identifying need/priority, and the process to implement were approved unanimously.

Rosann questioned our liability. Sheri brought up we are already involved with lot clearing. Donna explained CC&R's gives the authorization to enter property for issues such as lot clearing and other safety issues. Culverts do not require one to enter the lot. Leo added digging on the road will involve the county. Rosann agreed, with the county involved, she was more comfortable to go forward.

LOT 112 Leo met with owner who intends to build more buildings, specifically on the western border of lot 113 and the eastern border of lot

112. If this is done, there should be no need for a fence. Leo further noticed a house now on the northern border of lot 113 which also negates the need for a fence. Sheri also talked with owners from the area north of lot 113 and they were receptive to not using the lot as a pass through.

Sheri suggested signs saying private property be put up. Donna will look into costs.

FUTURE OF LOT 113

MEETING HOUSE Donna suggested a plan to include a meeting house. The estimate is between \$200 and \$250 thousand to build a shell. She would like to see a five-year plan so that the next boards would carry on with a pre-set plan. Something done that does not conflict with Pinewoods. Sheri suggested a conex box or some other type of a storage unit. This could be a short-term solution.

Leo and Lynn agreed we need to do something with this commercial lot that benefits the membership. Lynn's concern was would members agree to a major increase in dues for something like this. Leo added the lot being commercial could also give us the advantage of having a building that would be used commercially.

Lynn recommended we can eventually use what is now the Sheriff's substation for meetings and storage. Their rental agreement expires in 2031.

SNOW REMOVAL 2022

Rosann brought up the fact that people from other subdivisions were actually parking on our roads and 113, preventing members from parking and accessing their property.

There is no one, other than the Sheriff, to enforce the issue. Donna stated once lot 113 was plowed, the problem (complaints) ended. She recommends the lot be plowed as needed each year, as was done in the past.

Sheri recommended signs be updated to include "violators will be reported". It was decided to plow 113 and reassess the situation this winter.

FENCING

LOG PERIMETER, POST AND CHAIN

Based on prior discussion (see Lot 112), fencing will not be necessary on lot 113.

ARCOM, BOARD BOOKS

Donna recommended a binder similar to the Board's. It was decided digital would be best.

NEW BUSINESS:

FUTURE LOT 114

SHERIFF RESIDENT DEPUTY HOME

FYI LOT 68, 69 The owner of these lots will let us know should they ever choose to sell the lots. There is a house, garage, and other outbuildings and the lots are adjacent to lot 114 where the substation is. This would be a great Resident Deputy home. The lots were offered years ago to the then Sheriff who turned it down in favor of lot 114. Resident Deputy was not under consideration at the time.

ARTICLES OF INCORPORATION

The changes were approved with a vote of 3 NO's and 29 Yeses. The Board Members signed the new document. They will be sent to the Attorney for filing with the State and then sent to members.

ZOOM NOW AND FUTURE

Need someone to oversee those on zoom and someone else overseeing the live audience. Lynn explained how difficult it is for one person to monitor and control each area of a meeting. Sheri added, members sitting so far apart did not help.

Leo talked about what he saw as problems during the annual meeting. Things that could be corrected in the future.

It was agreed annual meetings are designed to bring people together. Zoom was used this past year under Covid restrictions and will not be used in the future for annual meetings.

Also, Zoom could be used in a closed-circuit situation where members on Zoom can only view but cannot participate verbally.

Zoom storage was extended. Having both the annual meeting and immediately after a drainage meeting put us over our quota.

Zoom or conference calls could be used for the rewrite committees. In either case, audio can be recorded and used to transcribe the decisions. Zoom does offer a clearer audio.

OTHER ISSUES, CONCERNS, DISCUSSIONS

There are six members on the rewrite committee. Donna asked the Board for input on the following:

Under no circumstance can members of the same family/corporation/group be on the Board at the same time. This is based on a situation wherein the President and Secretary were married as were the Vice President and the Treasurer. With a five (5) member board, 4 people had full control.

Should the rewrites include restricting this type of situation from happening again? Members agreed this should be the case. Donna will work with the Attorney for wording.

NEXT BOARD MEETING LOCATION

Harmon's February 24, 2022 11:00 AM

ADJOURNMENT: Sheri called the meeting adjourned at 1:00 pm.