

**Cedar Highlands Homeowners Association Annual Meeting  
Highlands Subdivision, Cedar City, Saturday, August 20, 2005, 12:30 p.m.**

The Cedar Highlands Homeowners Association held their annual meeting in the meadow of the Cedar Highlands subdivision, on Saturday, August 20, 2005. The meeting was called to order by President Dave Rowles at 12:30p.m.

Board Members Present: President Dave Rowles, Board Members Richard Dickinson, Linford Nelson, Gary Rosenfield, Jacqueline Tully.

1. Welcome: President Dave Rowles welcomed the members to the annual meeting and introduced the current Board members. President Rowles briefly outlined some of the changes in the past year, including the hiring of legal council and the decision to modernize the CC & R's. Richard Dickinson did not run for re-election this year, and President Rowles thanked Mr. Dickinson for his years of service.

2. Approval of Minutes: Secretary Jacqueline Tully read the minutes of last year's annual meeting. Bob Havens made a motion to approve the minutes of August 28, 2004. Elaine Monaco seconded the motion. The vote was unanimous.

3. Treasurer's Report: Richard Dickinson, Board Treasurer, presented the Treasurer's report. Financial statements covering revenue and expenses for 2004 and the first eight months of 2005 were presented. The operating budget is down \$14,000 compared to last year, which is partly due to a substantial balance transferred to the water account. \$16,770 is presently in the gas refund account. Some of this amount is a double refund which will be returned to the gas company, and the rest will be distributed to members.

Mr. Dickinson noted that the only special assessments that have been made in the subdivision were for the natural gas and telephone service.

The CC & R's call for a regular review of the financial records by an accountant. The firm of Kemp-Burdick was hired this year to provide such a review. The firm gave the Association a clean report and some procedural suggestions which the Board is evaluating.

4. Committee Reports - Roads: Linford Nelson reported for the Road Committee. More money has been expended on the roads this year. Four new roads are being maintained because of new homes. \$9,000 was spent for gravel, with the county matching an equal amount of mine tailings. The Association maintains the road from the gate to the C trail to help prevent snowmobiles from parking at the gate. Bert Ton said the roads were in better shape this year than they had been in a while.

Committee Reports - Water: Dave Rowles reported for the Water Committee. There have been a few problems with the water system this year, as parts of the water system are over 15 years old. One of the hydrants blew, and almost all the water in the lower tank was lost. A major leak in the upper tank, which was causing a loss of 16,000 gallons per day, was isolated and repaired. At one point the heater in the pump house stopped working, and the pumps froze. Sometimes finding a plumber willing to come up to the subdivision in an emergency has been difficult.

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4. Committee Reports Water - continued: The hydrants are flushed regularly to ensure they are working. The redevelopment of Spring 1, requested by the State Engineer, was finished in March. Costs ran about \$30,000 to clean and upgrade the spring. During the redevelopment, another spring was found. With file new spring, flow was improved about 15 gallons per minute.

The two main issues with the water are quality and quantity. Chlorine is added to the system to aid in the removal of bacteria. Last year there was not as much water, but it was cleaner, while this year there has been a lot of rainfall, so the water is more plentiful, but not as clean, necessitating more chlorine.

Committee Reports - Architectural: Jacqueline Tully reported for the Architectural Committee. Teri Saa, Dave Rowles, and John Tully also serve on the Committee. Occupancy in the subdivision is approaching 50%. The Board has voted to charge members \$1000 in non-refundable impact fees for new construction, which will go towards repairing the damage done to the roads and drainage system by heavy deliveries and increased traffic. A sliding scale of impact fees, based on square footage, will apply to other construction. Larger vehicles have also been involved in some recent landscaping, and the Board will look at impact fees for landscaping if this becomes a problem.

Committee Reports - Fire: Clive Newel reported for the Fire Committee. The subdivision has had an in-kind match for fire control since 2002, and the Department of Forestry will continue to match receipts turned in for the purchase of fire retardant devices and the number of hours spent in fire related work.

Fire Warden Ryan Riddle said the meadow is the safety zone during a fire. He recommended keeping the meadow mowed, but said it will be also be burned out in the case of a fire. Large fire trucks must come up Right Hand Canyon, which takes longer, so creating a defensible space around homes gives additional protection time. Elaine Monaco and Teri Saa have distributed all the available fire hoses, and more have been requested. Chipping will continue as much as possible in the subdivision, and piles will be burned as needed when the weather is colder.

A telephone directory is being developed for the website, with a phone tree for notification in emergencies. Those who wish to be notified by email may contact 'webmaster' on the web site.

5. Ballot Issues: 4 special ballot issues were brought before the members, as follows:

Issue #1: In the last 12 months, more new home construction has occurred than in the two years combined. 20 new homes have been or are being built as of August 1, 2005. The Board is concerned that measures need to be taken during the next year in order to assure sufficient water resources are available to service the needs of current and future home owners as well as to have sufficient resources to protect the subdivision in the event of a fire. One of the options to address this concern is the construction of a new 160,000 gallon water tank at an estimated cost of \$115,000. If this project is adopted, the Board will use some of its current reserve to offset the costs of such a project by approximately \$25,000. Each lot owner would be assessed a one time amount of approximately \$500.

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5. Ballot Issues - continued:

Issue #2: The second option to address the water concerns is to drill a well at a location within the subdivision at an estimated cost of \$50,000, with the Board subsidizing through current reserves an amount of \$25,000. If this measure is adopted, each lot owner would be assessed a one time amount of approximately \$150. Issues #1 and #2, are not mutually exclusive, but may both be adopted. Should both measures pass, the reserve could only be used on one project. A new estimate of the one time assessment would then be prepared for Association members.

Issue #3: In view of file substantial addition of new homes in the subdivision, the Board is proposing to expand its membership from five to seven. To do so, the bylaws must be amended by a simply majority vote of at least half of the total membership.

Issue # 4: Numerous concerns have been expressed by Association members regarding the quality and maintenance of the roads. The Board is considering a formal petition to the Iron County Board of Commissioners to commission a study by the County engineer of the estimated costs for establishing a Special Improvement District to fund the paving of all or part of the roads serving the subdivision. The adoption of this measure will not authorize the commencement of any work or assessment. After the County Engineer provides the assessment another vote will be taken to decide if any or all of the roads should be paved.

The issues were discussed by those members present at the meeting, and put to a vote.

6: Board Member Elections: Vacancies were open on the board for the positions held by David Rowles, Richard Dickinson and two additional members. Dave Rowles ran for reelection. The meeting was opened to nominations from the floor.

Bob Havens nominated Paul La Broad. Ann Bersi seconded the nomination. Mr. La Broad accepted the nomination.

Ten Saa nominated Manny Mosqueda. Karl Baumann seconded the nomination. Mr. Mosqueda accepted the nomination.

Gary Rosenfeld nominated Karl Baumann. Dave Rowles seconded the nomination. Mr. Baumann accepted the nomination.

Jim Cox nominated Ron Reber. Elaine Monaco seconded the nomination. Mr. Reber accepted the nomination. The nominees spoke for a few minutes on their experience and goals.

The ballots were filled out and counted. Paul La Broad, Manny Mosqueda, Ron Reber, and Dave Rowles were elected to the Board.

The meeting was continued at 3:00p.m., pending a quorum vote on the issues.

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On September 15, 2005, it was determined that there was a quorum present (a minimum of 83 lots represented) sufficient to conduct the official business of the Association. The vote results were as follows:

Issue #1 - Construction of additional water tank - passed.

Issue #2 - Drilling of well in subdivision - passed.

Issue #3 - Expansion of file Board from 5 members to 7 - passed.

Issue #4 - Petition County Commission to provide estimated costs to pave road - passed

The meeting was adjourned at 8 p.m. Thursday September 15.