

**Cedar Highlands Homeowners Association Board Meeting
286 North Main, Cedar City, December 17, 2004, 6:30 p.m.**

The Cedar Highlands Homeowners Association Directors held their monthly board meeting on Friday, December 17, 2004 at 286 North Main, Cedar City. The meeting was called to order by President Dave Rowles at 6:30 p.m.

Members Present: President David Rowles, Board members Richard Dickinson, Gary Rosenfield, Jacqueline Tully. Linford Nelson was excused.

Others Present: Bob Havens, Ken Orton, Manny Mosqueda.

1. Approval of Minutes: Gary Rosenfield made a motion to approve the minutes of November 19, 2004. Jacqueline Tully seconded the motion. The vote was unanimous.

2. Treasurer's Report : Richard Dickinson, Board Treasurer, distributed copies of the proposed 2005 budget and other financial records, including check registers, bank statements, and a summary of past due accounts to the Board members. The Association's checking account balance stands at approximately \$34,000, the operating account at \$18,000, and the water account at \$40,000. The proposed 2005 budget was discussed, including funds needed and justification for a fee increase. Redevelopment of the springs will cost an additional \$11,000. The operating account was \$2,584 in the red last year.

Richard Dickinson made a motion to increase the annual fees by 15%, the water fee from \$90 to \$100, and the water usage fee from \$120 to \$150. Jacqueline Tully seconded the motion. The vote was unanimous.

Jacqueline Tully made a motion to include a copy of the approved 2005 budget in the billing statements and also to place the information on the web site. Gary Rosenfield seconded the motion. The vote was unanimous.

Questar Gas has given some connection fee refunds to the Board, and Mr. Dickinson has matched the property addresses with the names of those eligible for the refunds. Ms. Tully and Mr. Dickinson will distribute refund checks to the 10 property owners involved.

A proposal was sent to Cedar City accounting firms, asking for bids on an agreed-upon-procedures contract. The firm of Kemp-Burdick has offered a bid for the contract, not to exceed \$1000. Their services will include analyzing dues and billing procedures, and checking balances. A management advisory letter will be given to the Board at the end of their investigation.

Richard Dickinson made a motion to accept the proposal from Kemp-Burdick on an analysis and report of the financial records, for an amount not to exceed \$1,000. Gary Rosenfield seconded the motion. The vote was unanimous. Mr. Dickinson will contact Kemp-Burdick.

3. Committee Reports - Water: Dave Rowles reported for the Water Committee. Ken Orton, the Southern District representative for the Rural Water Association of Utah, was present to answer some of the Board's questions. Bob Havens, Association Watermaster, said there appears to be a leak in the system, judging from the unexplained decreases in upper tank levels that have been observed and measured over the last few months.

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3. Committee Reports - Water, continued: Mr. Orton said the Rural Water Association of Utah, which the Association recently joined, has some electronic sounding devices which help to find leaks, and he volunteered to work with Mr. Havens on finding the problem and a solution.

Spring #1 has not been reconnected to the lower tank intake system yet, due to the inclement weather. Mr. Havens has begun purchasing conduit and materials for reconfiguring the control system for the pump house valves.

Mr. Orton said the Board should look at developing a master plan for water, with contingencies for a total subdivision build-out. Various water issues, including drilling a well, putting in a new tank and redeveloping the upper springs were discussed by the Board.

Richard Dickinson made a motion that, in the interest of augmenting the current and future demand on the existing storage tank system, the Board set as policy the following water priorities: 1) To present the members with a dollar amount of construction on a new 160,000 gallon tank, including engineering costs. 2) To look into the feasibility of drilling a new well, including the best location. Jacqueline Tully seconded the motion. The vote was unanimous.

Mr. Rowles provided a brief update on repairs necessitated by the failure of a heating system within the pump house. This failure caused the piping and both pump valves to freeze and break, causing a brief disruption of service to those on the upper tank distribution system.

Richard Peterson was called out to make the necessary emergency repairs. Mr. Peterson was able to locate and install a temporary Jacuzzi pump to get the system back on line. He is currently looking for suitable permanent replacements.

Committee Reports - Architectural: Jacqueline Tully reported for the Architectural Committee. The subdivision has lots of new construction going on. The committee has begun sending out letters with a list of rules, reminders about sanitary facilities, culverts, drainage and the \$1000 refundable deposit to contractors building in the subdivision. The contractors are being asked to sign and return the document. The committee has set a goal to have the signed letter and the \$1000 deposit before contractors begin building.

Committee Reports - Fire Safety: Dave Rowles shared his concerns about the fires being set and left unattended by some of the BLM personnel. Clive Newell or Mr. Rowles will speak to the BLM about someone staying until the fires are completely out.

4. Reincorporation: Richard Dickinson and Dave Rowles met with Kent Corry, a local attorney, to discuss the reincorporation of the Homeowner's Association. Mr. Corry has a great deal of experience in the business law area. Board members discussed using Mr. Corry as a resident agent of the corporation, in order to avoid similar problems with the corporation status in the future. Mr. Corry suggested the common area land, the water system, the gas system and fencing be deeded from the old corporation to the new one. It is his opinion that the CC & R's attach to the real estate, not to the organization, and are still in effect. If retained by the Association, Mr. Corry will be available during the annual meeting to answer member questions.

Mr. Rowles and Mr. Dickinson spoke with the company that carries the liability insurance for the Board, advising them of the new corporate status. Either the new IRS tax ID number will be attached to the old bank accounts, or new accounts will be opened.

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- 6. Public Comment:** Manny Mosqueda said he appreciated the work of the Architectural Committee and asked what back-up existed for ensuring the contractor guidelines are followed and for the collection of the \$1000 deposit. Dave Rowles said presently the Board worked with contractors on a good will basis, but the Board does have the power to lien an owner's property as well as the ability to lock out the water meters. Some other options are also available should such action become necessary.
- Gary Rosenfield said trash and litter seems to be increasing on the subdivision roads. Mr. Rosenfield advised the Board that he will be out of town for a week, and plans to ask Steve Gray to contact Roger Murie in the event snow removal is necessary. Jacqueline Tully is sending a list of those who have requested their driveways be plowed to both Mr. Murie and Mr. Rosenfield.
- A calendar of regular events, such as sending out annual meeting proxies, will be put together for the Board to check at regular meetings.

The meeting adjourned at 8:45 p.m.

