

Cedar Highlands Homeowners Association Annual Meeting Saturday, August 21, 2010, 11:00 a.m.

The Cedar Highlands Homeowners Association held their annual meeting in the upper common area meadow of the Cedar Highlands subdivision, on Saturday, August 21, 2010. The meeting was called to order by President John Tully at 11:20 a.m.

Board Members Present: President: John Tully, Board Members: Clive Newell, Linford Nelson, Janet Webb, Gary Rosenfield, Manny Mosqueda, and Beth Gaines.

1. **Welcome:** President John Tully welcomed the members to the annual meeting and introduced the current Board of Directors. President Tully thanked those present for their continued volunteer service to the Association.
2. **Approval of Minutes:** Due to an over site by the Board of Directors at the Annual meeting held August 9, 2009, a vote on the 2008 Annual meeting minutes did not take place. A motion was made by David Pack to approve both the 2008 and 2009 Annual meeting minutes. The motion was seconded by Nancy Slitz. The vote on the motion was unanimous.
3. **Financial Report:** Beth Gaines, Board Treasurer informed members of the Board's vote last October to hire an accounting firm. This decision was made to reduce the Board's liability due to the significant funds being handled annually and to provide transparency in accounting procedures. Several firms were interviewed by Clive Newell with a recommendation to hire Hinton Burdick CPAs & Advisors. The approximate cost is \$1.41 per lot per month. Beth introduced Robert Cox of Hinton Burdick CPAs & Advisors.

Mr. Cox touted the benefit of using an accounting firm stating Board members come and go, however, their firm would be a constant with our financial information. They also conform to GAAP (generally accepted accounting principles). A brief discussion of costs and services (compilation vs. audit) was explained. He said the cost of an audit would be approximately \$117 per month per lot vs. compilation at an approximate cost of \$1.41 per lot per month. The major difference is they don't verify bills with vendors. Mr. Cox then presented the Treasurer's report. The financial report covering Accountants' Compilation Report, Financial Statements, (Balance Sheet & Statement of Revenues, Expenses & Changes in Fund Balances) and Supplementary Information (Budget vs. Actual Expenses) for year ending 2009 and the first six months of 2010 were presented. Overall, we have a very healthy fund balance and our only liability at this time is construction clean up deposit refunds.

4. Committee Reports -

- a. **Fire:** Mr. Newell, Chairman of the Fire Committee, presented the "August 2010 Annual Meeting Fire and Safety Committee Report". He reported on the multi-agency emergency drill including reverse 911 and evacuation routes and locations held this Spring. The drill included not only Federal, State and Local entity participation but also folks from Red Cross, Amateur Ham Radio Operators and others. A brochure "P.R.I.D.E.", was left at every home in the subdivision. He reminded everyone of the need to clear a thirty (30) foot defensible space around your home. We still have approximately twenty-six thousand (\$26,000) dollars in grant money available for fuel mitigation and lot clearing. There are no guarantees future grant monies will be available. It is important for every owner to complete the forms documenting any work you do on your lot. Statewide chipping funds of three thousand (\$3,000) dollars, twice

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yearly, are now available for each community. Requirements to qualify for these funds include setting a date, advertising and marking a map with chipping pile locations. The Utah Division of Forestry requires lot owners to complete a permission slip giving the Forestry Division permission to work on their lot. The form is available on our website. Mr. Newell then introduced guest speaker John Schmidt from the Utah Division of Forestry.

Mr. Schmidt has new pamphlets available with evacuation information. He informed anyone not registered with reverse 911 to go on-line at www.IronCounty.net to enroll. He reported there have only been a few small fires and that all of the greenery is helping but fires happen! It is just a matter of when. He gave kudos to the Newell's for continually keeping our fire plan up to date. The fire plan is available on our website. Mr. Schmidt said he has been asked by several why their Junipers and Pine trees are dying. He said it is usually caused by a bug outbreak and the best defense is to thin out your trees so each has more water...be proactive. He gave an example for the ideal fuel break: in clearing a one (1) acre lot, they removed one-hundred and ninety (190) trees leaving 63 trees with thirty (30) feet between each of those. The Utah Division of Forestry is working to clear a thirty (30) foot defensible space next to the Right Hand Canyon roadway. He said lots of people are on their list for lot evaluations, clearing and chipping. He asked Clive to start a new list. Please e-mail your request to www.cnewell@fleet-net.com.

Mr. Schmidt reminded residents that in case of fire use Green Lakes Road or Right Hand fork. He said there are a few choke areas along our main road where a thirty (30) foot defensible cleared space is needed. He will be contacting the owners of this requirement. He then introduced Ryan Riddle, Iron County Fire Warden.

Mr. Riddle thought the emergency drill went fantastic. He appreciated all the feedback. He said the coordination of Federal, State and Local resources went well. The Reverse 911 system proved to have glitches. The problem with the system stems from the incompatibility of the Reverse 911 and a GIS data system which includes several counties. So what happens is a fire's address is called in, the information goes to every county with that specific address. The good news is that if you registered your cell phone number, you would be called even if you were currently out of state.

Prescribed burnings will again take place this year. If you have piles, make sure you get the information to Clive. They monitor burns very closely. They like to wait until either the first snow or have had ample rain. They **do** leave burns in the evenings if it is safe. If it's questionable, they will stay longer or post someone overnight. There are several factors considered before burning. They are required to submit and get approval on a burn plan. They must coordinate in regards to moisture, smoke management, public notification, fire department availability of services and the availability of services in their office. They let the 911 operators know where they have left burns in case of calls by concerned citizens. Burning in subdivisions is very different than burning in open areas. You must have some wind to blow the smoke out. They use the most current weather information available before starting burns. They perform aesthetic work too so we don't have half burnt logs in the subdivision. If you see something burning, you are

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welcome to call him (especially if you know they have been burning in that area) and always call 911. To get information on fires, you can visit their website, www.UtahFireInfo.gov which Manny Mosqueda has kindly linked from our HOA website. He said although we have three (3) evacuation routes, be flexible. It will depend on where the fire is located as to which route you will need to take. Reverse 911 gives evacuation route instructions during their call. In kind match work is now at twenty (20) dollars an hour. We do not get this money; we get in kind match work. Remember to turn in your forms.

- b. **Architectural:** Manny Mosqueda, Chairman, of the Architectural Committee, presented the “Cedar Highlands Architectural Committee Report.” No new homes or additions have been requested. The “no building” restriction placed on our subdivision on February 22, 2010, expires tomorrow, August 22, 2010. A few people have requested outside color changes. The CC&Rs are in place to maintain the integrity of our subdivision and help maintain value. Three (3) homes have sold in the past six (6) months. The sales prices were disclosed. There were also a few distress sales at much lower amounts. To his knowledge, no vacant lots have recently sold. When sales occur, the title company is required to give the new owner the most current copy of CC&Rs. Unfortunately, this is sometimes overlooked. New owners should take responsibility and ask their neighbor how to get a set. All new owners should read the CC&Rs provided by hard copy or on our website. The architectural requirements are listed in the CC&Rs. We would like to start a “Welcome Wagon” to personally welcome new owners and make sure they have information about our website and CC&Rs. We are looking for volunteers for this special committee. Our subdivision has 165 lots with 71 homes.
- c. **Water:** Water Master, George Mason reported for the Water Committee. This information was handed out to attendees. We have plenty of water. Both tanks are over flowing. There are no water restrictions at this time. The monthly required bacteria tests have been coming back negative. Last year we had two positive tests. Positive tests require further testing of which we were negative for e-coli. Since last year we’ve had two (2) water leaks and one (1) freeze up. Anytime you have a leak it is potential for contamination. George reminded everyone that the HOA is responsible for issues occurring from the meter barrel to the main line. Home owners are responsible for issues occurring from the meter barrel to the house. He said anyone leaving for extended periods of time should shut their water off at the meter. You can call him if you need help locating your water meter barrel.

George has been spending a great deal of time with Nolte Engineering on projects. When work is completed, we will have one of the best water systems. The yearly Cedar Highlands Consumer Confidence Report for calendar year 2009 is available on the HOA website. Last year there was considerable concern with water availability.

We are not sure how our original water system passed inspection as it wasn’t to standard in 1985 and certainly isn’t now. Fire hydrants should have been placed every one-thousand (1,000) feet. We only have seven (7) hydrants in the entire subdivision. In some cases, pipe is only buried one (1) foot deep. The Board was able to procure fifteen-thousand (15,000) dollars in grant monies and a twenty-five thousand (\$25,000) dollar

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loan at 2.38% interest. The entire master plan, which was required by the State, details four (4) phases at a total cost of 1.5 million dollars over the next 25-30 years. We've acquired a SCATA system and electronic valves for the water system. This allows remote reading of the tanks and automatic shut off or filling to ensure tank levels without overflowing or running low.

During construction on a particular lot, a builder put a transformer in the wrong place on the lot and not in the utility easement. President John Tully had to meet the owner in Las Vegas and show him plat maps and ask the owner to approve a lot line adjustment and utility easement. The HOA is still in need of a land use agreement from Linford Nelson.

We have been working on this for the past six (6) months trying to work out a fair and equitable solution. Our springs #1 and #5 are located on Linford's property with #5 being our largest producer of water.

- d. **Roads:** Due to limited funds, we are only blading the road twice a year. The first one of the year cost nine-thousand (9,000) dollars. Five-hundred (500) tons of gravel was spread including next to our dumpster. Our new contractor did a lot of snow removal last winter. Because we had a one-hundred and eighty-five (185) percent increase in snow fall, we exhausted our funds already. Our contract is for twenty-four (24) hour snow removal within four (4) hours of a call. President John Tully expressed gratitude to Charlotte Bible for her assistance in writing that contract. He also thanked Rob Yates for all his volunteer work on the road surface.
- e. **CC&R Revision:** (Ann Bursi, John Child & Charlotte Bible) John Bible explained that the majority of the work the committee completed on the revision was for clean up purposes. They did not tamper with the sustenance provisions from the first draft as the Board had already approved those changes. To review the revised set with the original set, please visit the website at www.cedarhighlandshoa.org. As required by the CC&Rs, the Board will be initiating a vote of the members in the near future. Owners are required to sign in front of a notary. Consent of not less than two-thirds (2/3) of ownership is required to amend or change the CC&Rs. It also requires thirty (30) days prior written notice to each Mortgagee of a Lot. If passage occurs, the Board will then assemble the new document and have it recorded.
5. **Other Business:** President John Tully discussed information about using Iron County Water Conservancy District (ICWCD). He discussed the amount of money we have spent in the past four (4) years to make repairs on our system and the inefficiencies we still face. He then turned the floor over to our current Water Master, George Mason. Mr. Mason explained how he works for ICWCD part-time. He stated that ICWCD is a quasi government agency in that they are supervised by the County Commissioners. Their Board members are elected by the County Commissioners as well. He said they currently serve fifteen (15) subdivisions throughout Iron County. They provide bulk water to two subdivisions. He explained that the ICWCD does NOT take over water systems. Folks such as us ask for their assistance, usually once their system is in trouble. Their Board has to vote on if they want our system. Their rates have not gone up in four years and are the same for every subdivision. Rate hikes have to be voted on and their meetings are open to the public. They are held every third Thursday at the library. Currently, their rates are twenty-five (25) dollar flat rate and sixty (60) cents per twelve-hundred (1,200)

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gallons for the first tier. The average bill up here should be between twenty-eight (28) and thirty (30) dollars per month unless you are providing water for children, lawns or animals. If you own a home here, you are currently paying forty-five (45) dollars and eighty-three (83) cents a month. If we are through the ICWCD, that portion of your HOA dues would not be charged. Keep in mind, those dues can be raised by the Board as seen fit to enable our system to continue providing quality drinking water and meet federal, state and local codes which continually change. A simple two-thirds (2/3) vote would be required by owners to ask the ICWCD to accept our system and enter into negotiations.

6. **Public Comment Period:** There were no public comments.

7. **Nomination of New Board of Director Members and Voting:**

The meeting was opened to nominations from the floor. John Tully motioned to nominate Jay Hampton. Sheri O'Boyle seconded the motion. Jay Hampton accepted the nomination and spoke a few words about his qualifications. There were no other floor nominations. Ballots were collected and counted. The three incumbents and Jay Hampton were elected to the Board for a two year term.

Adjourn: Clive Newell motioned to adjourn the meeting. Steve Gray seconded the motion. The vote on the motion was unanimous. The meeting adjourned at 2:28 p.m.