

DRAFT

**LAKE ROCKPORT ESTATES
PROPERTY OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION
100 ROCKPORT BLVD, COALVILLE, UTAH 84017**

**Minutes of the Annual Meeting
Saturday, June 24, 2017
Wanship Fire Station, Wanship, Utah**

The annual meeting of the Lake Rockport Estates Property Owners Association was called to order on June 24, 2017 at 2:10 p.m.

Board Members Present: Nachi Fairbanks, President, Yvette Connely, Vice President, Steve Sady, Treasurer, Greg Warner and Suzanne St. Pierre. Alan Lindsley was excused.

Jayne McWidener, Secretary, was present.

See Annual Meeting Attendance Sheet for LRE members in attendance.

Introductions

President Fairbanks welcomed everyone to the 2017 annual meeting and asked that everyone make sure they sign in with their name and lot number. She mentioned that agendas had been prepared and were available for each attendee. President Fairbanks had the Board introduce themselves.

President Fairbanks reported that the Board is always looking for help and volunteers and noted that currently the Board had two positions that were open. She stated that proxies were available for individuals to vote or write-in candidates if anyone hadn't mailed in their proxies yet.

President Fairbanks stated that the prior year annual meeting minutes had been provided in the packet and asked that everyone take a minute to look those over and let the Board know if there were any comments, questions, or changes.

00:06:40

Financials

President Fairbanks turned the time over to Jayme McWidener, Secretary, to go over the financials. Jayme stated that in the packet that was provided to the members there were financial information. She summarized the information in the balance sheet which showed account balances as of 12/31/16 and 5/31/17, highlighting that LRE purchased land for approximately \$29,000 and completed work on the mid-mountain booster station, spending approximately \$79,000. She noted that LRE made a \$21,000 payment on the loan they had with the Utah State Division of Drinking Water, which had been used for the top tank project. She also summarized the profit and loss statement which shows the income and expenses for both calendar years 2016 versus 2015 and for the five months through 5/31/17 compared to the 2017 budget.

The Board asked if there were any comments or questions on the financial information.

MOTION: Larry Underwood, Lot 147, moved to APPROVE the financials as of December 31, 2016, including the budget for the year ending December 31, 2017. Donald Fulton, Lot 35, seconded the motion.

VOTE: For 32, Against 0, Abstained, 0. The motion passed.

A question was asked regarding the lack of any budgeted expenditures for the gate. Jayme stated that the Board did expect to spend money on the gate, as there was a project currently being finished up on that, so that was an oversight. She stated she would correct the budget for this.

00:13:25

There was a question regarding who did the valuation on the fixed assets that were listed on the balance sheet. Jayme stated those numbers were based on actual cost, or money spent, when the asset was purchased, therefore amounts were on the balance sheet at historical cost. Jayme explained that the accumulated depreciation account was offsetting those costs that ultimately reduced the cost basis to a lower value as of today.

Minutes

Greg Warner asked if one of the members would approve the prior year annual meeting minutes.

MOTION: Dani Silva, Lot 175, moved to APPROVE the minutes of the June 11, 2016 annual meeting. James McKenna, Lot 84, seconded the motion.

VOTE: For 32, Against 0, Abstained, 0. The motion passed.

00:19:45

Land Purchase

Yvette Connelly reported that LRE had purchased the triangular piece of land down by the gate, which was 1.63 acres of land. She stated that although the property had a number of easements going through it could have been sold and a home could have been put down by our dumpsters. Therefore, the Board determined it was in the best interest of the Association to purchase the land when they had the chance. The Board noted that as the mountain grows LRE would need more room for more dumpsters, more sheds, potentially a short-term parking lot and the Association needed the land to be able to expand as needed.

There was a question regarding how much was spent for the 1.63 acres and Yvette responded that we spent approximately \$28,500 on the purchase. It was asked if there were any plans for development of the property and Yvette stated there were no set plans now but the Board wanted to secure the property for potential expansion of what was currently there and even thought a large storage shed or garage-type shed could be an option in the future. It was suggested that a forum be created to ask for suggestions on the use of that property and the Board agreed that was a good idea.

00:26:00

Mailboxes

President Fairbanks reported that in the past the Post Office had been responsible for putting mailboxes at the entrance to our Association and they had taken responsibility and control for assigning them out. As we have seen growth on the mountain there have been a lot of new requests for mailboxes and we don't have them available. President Fairbanks stated that she had been informed the USPS was in litigation of some kind that wasn't allowing them to install new mailboxes so we were told we had to install our own boxes and ensure they were within USPS specifications. We were told that a 16 mailbox stand would cost approximately \$1,500 and we would need at least two in order to cover our current needs and give us some additional room to grow. President Fairbanks reported that the Board is currently evaluating the size and the costs to cover our needs but our bigger concern is how we are going to fund the installation. The Board has considered handling the mailboxes similar to how the package shed is managed, where there would be a fee for anyone wanting a box, which would then ultimately pay for the cost to put the mailboxes in. The reason for this would be supported by the fact that if someone owns a bare lot and only visits the property once or twice a year for camping, why would they have to help pay for the costs, when the benefit is going to only be had by the individual that wants and uses the box. The other option would be to have the Association absorb the costs so that everyone is ultimately paying for anyone to have and use a box. The Board welcomes any comments or suggestions on this matter.

There was a concern with putting more mailboxes on property that LRE doesn't own and President Fairbanks stated that LRE leases that property from the government so it wasn't an issue but a concern had been raised regarding trying to fit over 300 mailboxes in its current location, therefore owning the property inside the gate was reassuring because we had options if we needed to relocate the boxes. A member asked the details of the lease of the property and Greg Warner stated that we paid a one-time fee of \$150 for a 25-year lease.

The Board took thoughts from the members regarding the mailboxes and one member stated that they thought it would be reasonable for the Association to absorb the costs because it would assist with the overall growth and infrastructure of the mountain. Another thought was that if there was no cost for the mailboxes everyone would want one, even if they weren't going to use it, and we'd be forced to add more mailboxes sooner rather than later.

00:37:20

Water Update

Greg Warner reported that in the past year LRE had to replace their mid-mountain tank which was due to the tank and the pump system being installed in the 1970's. LRE had been patching the tank for years, however, it was determined that even after the annual patch jobs the tank was leaking too much to justify continued patches and it needed to be replaced. Greg reported that the old tank held about 8,000 gallons and we were pumping about 20-25 gallons per minute with the old pump system, whereas now the new tank is a 4,000-gallon tank and we have the capabilities of pumping up to 100 gallons per minute. Greg reported that right now LRE was pumping approximately 45 gallons per minute to keep the top tank full.

Greg reported that the top tank project was completed this year with the security fence installation being completed approximately 2 weeks ago.

Greg stated that at the mid-mountain pump station there is still some software and programming that needs to be completed for the SCADA system to be fully functional. Greg stated that we still needed to take care of the retaining wall that would go around the mid-mountain pump station to complete the project to avoid anyone coming down the mountain too fast, especially during the winter, and taking out the LRE pumps. President Fairbanks stated that decisions needed to be made on material, look, and entrance points to access the pumps for maintenance and repairs.

The question was asked if this project completion would get us to year-round water. Greg stated that this was just one smaller step to get us there. In the past couple years, we had been making improvements to the water system to meet the Utah State Division of Drinking Waters standards and requirements to avoid large fines and now we were working on replacing and upgrading larger items, for example the top tank and the mid-mountain tank, to ensure our system was functioning and going to be able to support the year-round water.

Greg reported that the next phase of getting to year-round water was going to be to replace the distribution lines and our engineer had estimated the cost being anywhere from \$5 million to \$9 million depending on how soon we got them done. Greg stated that based on our current cash inflows from annual assessments we had about \$150,000 to spend on distribution line upgrades every year, so there were about 24 phases and the entire line replacement project was going to take around 20 years at that rate.

Greg reported that the Board does talk about finding financing opportunities, however, our challenge in the past has been having adequate collateral for any new loans. There was a question from a member if the Association was wasting money by delaying the project in the sense that by waiting or taking too much time to complete if part of the project was going stale or obsolete. Greg responded that was not the case and that as things are upgraded and improved they are done at standards that will ensure they will last 50 or more years.

There was a question as to having another entity run our water system and President Fairbanks stated that the Board had talked to Mountain Regional, a water company in the area, and ultimately if LRE was to relinquish control to a third party, that would give up our ability to decide how much and how quickly we improved our water system. Meaning that a third party could decide to do all of the improvements immediately, but they could potentially assess every single lot owner for the upfront fees to do so. The Board has considered this option but could do the same thing if they wanted to charge a special assessment or increase annual assessments for all lot owners, however, at this point the Board didn't think it was in the best interest of all lot owners to do that just to have a year-round system sooner. President Fairbanks noted that currently the Board was in discussions with the engineers to ensure our plan for the distribution lines was up to date and we would be making decisions as to how quickly we could replace those lines and how much extra money we would want to collect, if any, to speed up the process.

Greg reported that the Board was acting based on information gathered in 2008 where the Board received a lot of push-back from the members stating that they did not want annual assessments to increase at all to decrease the time it took to get year-round water. At that time, the Board did increase annual assessments \$200 per lot, but had a lot of complaints even with that small jump. Greg stated that after the Board completed their research they would reach out to the membership to get feedback on options, including any financing options that the Board could find and qualify for with our existing collateral.

Greg stated that as soon as the engineers get us back an updated plan for the distribution line replacements we will be using the LRE money to complete phases of those line replacements after we ensure we are ok to move forward on the projects and don't have to get approval or permit for the replacements, which would take more time and money.

01:00:00

A member asked a question about our current seasonal water system and asked if there was anything that mandated the time we turned on and off the system and if not, if we could try to extend the dates.

Greg stated that the turn off and turn on date was really dependent upon weather conditions, especially now that we were required to have backflow preventers in place and inspected and certified before we were allowed to turn on the water. Greg stated that in the spring when there is an occasional late freeze, if backflows are installed there is the potential that those will break and have to be replaced and recertified, which would just negate the early water turn on date. President Fairbanks stated that LRE has had to modify their management of the water system because of the challenges and requirements with the backflows but ultimately the Utah State Division of Drinking Water mandates that seasonal water systems should be shut down from October 31 to May 1.

There was a question from a member regarding LRE's ability to store water in the top tank and provide water all winter to the residents. President Fairbanks stated that LRE does have a winter water program and there is a holding tank at the top of the mountain that residents can come collect water from to fill their holding tanks through the winter.

01:05:30

Road Update

A member asked if the Board would consider putting a mirror at the second sharp turn up by Hollow and the Board stated that was something they would consider.

Greg reported that the roads had been graded and mag water had been put down on the roads a couple weeks prior and it improved the condition of the roads, however, there was some cement being poured on a building project only a couple days following the road maintenance, therefore the cement trucks traveling on the roads was simply bad timing. Greg stated that we are required to schedule the mag water months ahead of time, and we also have to coordinate the grading to happen immediately prior, so we didn't have any flexibility trying to adjust the dates for a construction project.

President Fairbanks reported that some of the secondary roads were graded earlier due to them not getting mag water, and thus not having to be coordinated with that process. Greg stated that there would also be additional road maintenance occurring this year and that larger road base was going to be laid on Hollow.

01:10:10

A member asked if the Board was considering putting in speed deterrents on our roads. President Fairbanks agreed that there were some speeding issues that existed on the mountain but stated that there were studies that showed that speed bumps caused erratic driving, such that a driver would slow down for the bump but move faster after the bump and before the next one to make up time for having to slow down. She said that the Board was considering whether or not this would do more damage to our roads. Greg stated that this was an issue that the Board had been discussing for years and had many different options, including firehoses, ditches, etc. but nothing has seemed to be a perfect solution therefore no actions have been taken as of yet. A member suggested that the Board consider adding fun or different signs to the mountain to maybe stop to make people think or reconsider speeding on our roads.

01:16:15

Water Update (continued)

Greg stated that there were some statistics he had forgot to mention regarding our water system. He stated that the water was turned on 4/24/17, that 85 backflows were installed, 12 were pending, and 6 backflows required repairs. He stated that LRE was currently working on the PRV's to set the pressure in the system.

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President Fairbanks mentioned that managing the backflows has been new for the Board and for any homes that have water storage tanks and haven't installed and certified their backflows, locks have been put on meters. She stated that the State will not allow LRE to supply homes with water if they don't have the backflows in place due to the safety issues with cross contamination. She stated that there is going to be a \$100 charge associated with removing locks on meters and the work that is necessary to ensure the home is safely connected to the system. She stated if the lock is tampered with LRE has to deal with vandalism and theft of water, which mostly is due to the fact that if the State finds out that LRE is providing water to a home that is not in compliance we could put our entire water system at risk of being shut down, as well as put the Association at risk for some major fines.

01:20:50

A member asked a question about the power company and if the Board knew what they were doing in the Association. President Fairbanks stated that she didn't know anything more than what was in the newspapers and that LRE was simply informed that they were coming through to change up or maintain their power lines.

01:22:15

Gate Update

Greg reported that the internet had been installed at the top tank for the purpose of the LRE gate system so that LRE could upgrade the software, the hardware, and the devices for the gate. Greg reported that the old system wasn't being supported and we ultimately couldn't talk to our system to make changes to it, so upgrades had to occur to get the gate working properly so that we could then program new devices and codes. Greg reported that with this upgrade for our gate we were able to provide our members with another option for internet access on the mountain.

A question was asked about timing on completing the upgrades. Suzanne St. Pierre stated that she had posted on the website that LRE was ready to start taking requests for new codes, cards, and clickers and that an email just needed to be sent to Alan to make that request. She stated that he would need time to process the requests but the Board was hopeful that the system would be upgraded and new devices available within the next few weeks. She said that remotes cost \$35, cards are a little cheaper, and code changes were \$16. President Fairbanks stated that Alan would also be cleaning up the system, especially for those lots that have changed hands recently, therefore Alan might be contacting members to see if old cards or clickers were still in existence or if new codes were needed, especially for new lot owners.

01:27:05

A question was asked by a member how they would go about connecting to this new internet service if they were interested and Suzanne stated that notifications would go out on how to get connected for any lot owners that were interested and lot owners will need to contact the internet provider directly to get set up.

01:27:55

Architectural

President Fairbanks reported that there were 4 new homes under construction on the mountain and she expects 3 more home building projects to get started this year. She stated that the membership should expect to see a lot of construction vehicles on the roads until the winter weight restrictions kick in because it is such a busy building season on the mountain.

Member Directory

Yvette Connelly reported that at the 2015 annual meeting a member directory was brought up and the Board did a handful of research into the Utah State laws regarding the POA's ability to share contact information for its members. She stated that while the POA collects contact information, including email addresses and phone numbers, the Board did not feel that it was appropriate to share that information with the entire membership without member approval. Yvette said that the Board was working on creating a directory and had a form so that each member could opt in to providing email and phone number, along with kids names and ages, pets, or any other personal information, which would then be shared with the membership. Yvette stated that for members at the annual meeting, the form could be filled out now, otherwise the membership would be sending out letters to all other members not in attendance for them to opt in. Steve Sady noted that any information provided by the members would only be shared with other LRE members. Yvette stated that for all members who opted to provide their personal email address and phone number, that information would be available and provided to anyone in the membership who requested member contact information. Susanne St. Pierre clarified that the Board wanted, and needed, member email addresses and phone numbers so that they could send Association mail and updates and contact members, therefore this opt in form was being provided to let members chose what they shared regardless of what the Board had for contact information. Ultimately the Board was not going to share email addresses or phone numbers that they had on file unless the member had given permission to do so through the opt in form, which hopefully would not discourage members from sharing all of their contact information with LRE. Yvette added that when LRE has email addresses they can email newsletters and save LRE money because it reduces printing, paper, envelope, and stamp costs, which is why we encourage members to share that information with us.

01:39:30

Winter Weight Restriction

President Fairbanks asked if anyone else had any questions before the meeting was adjourned. A question came up about the winter weight restrictions and the weight that is being used for the rule, because it seemed a bit arbitrary. President Fairbanks stated that the winter weight restriction rule had been brought up at multiple Board meetings and was something the Board was interested in adjusting. In the past year the Board changed the starting restriction date from October 15 to October 31 and the Board was still looking at the weight limit as well as the fine amount. She stated that the Board was also considering allowing the members to ask permission from the Board for bringing in trucks over the weight limit and past the restriction date, wherein such permission could be granted based on weather and road conditions. She said the Board believed this would help open up the lines of communication and basically give the Association a little more flexibility if there was a shorter winter or a late start to winter. However, she did state that after the roads got snow-packed and icy the Board would probably not be granting any large trucks access to the mountain, as the flexibility would only be provided before or after the snow had

come and gone, which was mostly due to safety issues to prevent utility trucks from going off our roads and into homes or through member fences, etc.

President Fairbanks thanked everyone that came to the clean-up and the barbeque earlier in the day, as well as those that attended the meeting.

01:46:01

A member asked about the possibility of moving Board meetings to Summit County so that more members could attend the monthly meetings. President Fairbanks reported that the Board had been exploring options to make the move, especially given the fact that the first part of every monthly Board meeting was open to any member to attend. Suzanne St. Pierre stated that the Board was talking about moving to the Park City library, the Park City high school, or moving to the Summit County Fire Station, however, there were limitations on the hours, dates, and availability, therefore it was a topic that the Board was still discussing. President Fairbanks reported that if the Board meeting date, time, or location changes we are responsible to inform the membership of this change so they are aware of when the monthly meetings are taking place in case they want to attend. Greg Warner stated that if anyone did have a desire to attend a monthly Board meeting the Board just appreciates a heads up to ensure that we can adjust our agenda or accommodate any topics of discussion that the member wants to address.

The Lake Rockport Estate Property Owners Association annual meeting adjourned at 4:02 p.m.

01:53:16

Approved: _____